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Introduction

The City of Las Vegas (City) administers two main sources of U.S. Housing and Urban Development (HUD) funding through its Neighborhood Services Department (NSD), Neighborhood Development Division (NDD). The Community Development Block Grant

Program (CDBG) and the HOME Investments Partnership Program (HOME) are used to support activities, which benefit low- and moderate income households.

This manual sets forth policies and procedures for the administration of programs funded by the City of Las Vegas **CDBG** programs. Although some portions of these procedures are complicated and involve complex Federal regulations and policies; this manual summarizes the essential elements for proper program operation.

No handbook can address every type of administrative/accounting problem or situation that may arise during the course of the contract year; therefore the City's NDD staff is available to respond to requests for clarification or additional information.

In the event that new procedures or policies are implemented during the contract period, NDD staff will provide timely notification and technical assistance.

This manual is neither intended to be all-inclusive nor so restrictive that it cannot be amended.

NDD Program Mailing Address: City of Las Vegas
Neighborhood Services Department
400 E. Stewart, 2nd Floor
Las Vegas, NV 89101

Telephone: 702 229-2330

FAX: 702 382-3045

TDD: 702-386-9108

NDD web site: www.ci.las-vegas.nv.us

I. Community Development Block Grant Program

PROGRAM START-UP & COMPLETION POLICY

A. BACKGROUND

The primary purpose of the CDBG program is to provide services to low and moderate-income persons. If an agency is unable to promptly implement the program, these lower income persons are not receiving the intended benefits. Agencies, which receive a CDBG grant, must be able to implement their program soon after the award. The City developed the standard to keep programs on track and to ensure that the specified activity is being carried out in a timely manner.

Please be aware that an Agency's performance history on past and present City of Las Vegas funded programs and also the agency's adherence to the Program Start-up and Completion Standard is provided to the Community Development Recommending Board (CDRB) when they review and consider proposals for future funding recommendations.

The City, as approved by HUD, provides CDBG funds for Public Services and Development Projects.

Public Services: Our non-profit partners use these funds to provide services to low and moderate-income clients. HUD regulations place a 15% cap on the amount an entitlement agency may allocate towards Public Service programs. This means the City, as an entitlement agency, can only allocate that portion each year towards public services. All public services must be provided in a City owned site, or be fully owned or utilized with a long term lease by the non-profit agency executing the contract with the City.

Development Projects: The City allows our non-profit partners to use these funds for acquisition, construction and/or rehabilitation of public facilities, which must also provide services to low and moderate-income clients.

This manual will explain many of the procedures and policies relating to the CDBG Public Services program. For information regarding Development (Capital) Projects, please refer to that manual.

POLICY

Prior to contract execution, all subrecipients must have the needed support, confirmed matching resources, sufficiently developed plans, a program site, and budget to start the proposed program after the funding approval and complete the program within one year after start up. Programs should be able to begin on July 1st the beginning of the City's Fiscal Year. Funds are not always available on July 1st, however, the City will reimburse you for the funds expended after July 1st. Unspent funds are subject to potential reprogramming to other eligible programs as approved by the City Council.

B. METHODS TO IMPROVE TIMELY IMPLEMENTATION AND USE OF FUNDS

- Study the handbook and become familiar with the Pre-Contracting requirements. Submit the required documents to the Development Project Officer (DPO) soon after the Orientation Session.
- If needed, request a follow-up one-on-one Orientation Session so specific topics that relate to your particular program can be addressed and other key staff from your organization can attend.
- Failure to invoice the City for the CDBG activities can become a serious problem. Agencies will be expected to submit separate monthly payment requests and performance reports. *Do not save up several months of payment requests and submit them in bulk. This may cause unnecessary delays in your reimbursement.*
- If the Agency experiences key staff changes, such as, new Executive Director or financial staff, contact the project manager and schedule another orientation.
- Control and monitor the program activities through sound management principles.
- The assigned DPO is an important member of the team. They are available to explain the CDBG program processes and help the program get started and stay on track. Please contact the DPO if you have any questions or need assistance.

C. **SUBRECIPIENTS**

In order to achieve the national objectives, the City allocates CDBG funds on an application basis each year. A ***Subrecipient*** is a public or private nonprofit agency, authority, or organization, which receives CDBG funds from the City to undertake eligible activities.

Unless otherwise noted, the term “Subrecipient” will be used throughout this manual to denote all entities receiving CDBG funds.

D. **CONTRACTUAL AGREEMENT**

Prior to the release of CDBG funds from the City, a written agreement must be executed with the Subrecipient. The agreement remains in effect during any period that the Subrecipient is operating a program or implementing a program in which CDBG funds are being invested. City staff must complete the HUD required Environmental Review, which will begin upon receipt of the required documentation from the Subrecipient.

PRE-CONTRACT PROCEDURES

Summary of Procedures and Responsibilities

| General Information | <u>Responsible Party</u> |
|--|---------------------------------|
| Release of Funds- U. S. Department of Housing and Urban Development approves the City's program application and releases the funds to the City in July. (This is an approximate timeframe only) | HUD/City |
| Development Project Officer Assignment – Each program will have an assigned Development Project Officer (“DPO”) to work with the agency. The DPO will provide ongoing technical assistance needed to support the program and to ensure timely contracting, and successful program implementation. | City |
| Mandatory Orientation and Technical Assistance Session – The mandatory Orientation is held after the City Council allocates the awards and prior to the contract year. If the agency is unable to attend, the assigned DPO will arrange to conduct the orientation at another time. The Orientation is to educate subrecipient agencies about the basic rules under which all CDBG activities must operate. It provides an opportunity to establish clear expectations with respect to performance standards, policies, and procedures. The agency will find out how and when to start the program. | City/Agency |
| Environmental Clearance Required – <i>Funds cannot be obligated or expended until an Environmental Clearance is completed and the contract is executed. Any expenditures for a program that take place before the execution of a contract and the completion of the Environmental Clearance cannot be reimbursed.</i> | City/Agency |
| Site Visit – A site visit may be conducted to review the agency's fiscal, management, operational procedures, compliance with ADA requirements, and to survey the program or services offered. | City |
| Contract – The contract is the central part of the subrecipient agreement of the CDBG program. It fulfills a legal requirement by presenting a concise statement of rules of the CDBG program, the conditions under which funds are provided and measures fiscal and program performance. | City/Agency |
| Procurement Requirements – If you plan to purchase materials, agency products, or services under the CDBG program, the agency must follow a free and open competitive process in securing products or services. Agencies must properly document the purchase activity and decisions. All procurement undertakings must make an effort to outreach/utilize Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) firms. Documentation must be maintained to verify the outreach efforts. | Agency |
| <u>General Information</u> | <u>Responsible Party</u> |

| | |
|--|---------------|
| Audit Required – An audit for the agency’s most recent audited year should be provided, if available, including any management letters and any responses the agency has made to the audit. | Agency |
| Formal Monitoring Visit – During the course of the year the City may conduct a Program and Financial Performance Monitoring Visit. The purpose of the visit is to ensure subrecipient activities and clients served were eligible and in compliance with the HUD National Objectives and that other regulatory requirements were met. | City |

| | |
|--|---------------------------------|
| <u>Pre-Contract Documents</u> | <u>Responsible Party</u> |
| Section 504 Handicap Accessibility Questionnaire – this must be completed prior to contracting with the City. | Agency |
| Affirmative Action Requirements – Each agency must complete a description of the agency’s Affirmative Action Plan prior to receiving reimbursement from the City. | Agency |
| Articles of Incorporation, Agency By-Laws and Corporate Resolution – Agencies should forward copies of these documents to the assigned DPO | Agency |
| Certificate of Insurance – Each agency must provide a Certificate of Insurance for Worker’s Compensation (if staff is paid) and General Liability at the minimum limits outlined in the CDBG contract and in a separate section of this manual. In some cases the agency may need to provide three separate certificates if the agency’s auto and general liability and worker’s compensation insurance carriers are handled by different companies or agents. On the insurance certificate(s), the City of Las Vegas, a Municipal Corporation, its officers, agents, and employees, are to be shown as “additional insured” and the Neighborhood Services Department, Neighborhood Development Division, 400 East Stewart Avenue, 2 nd Floor, Las Vegas, NV 89101, are to be shown as “certificate holder”. | Agency |
| Taxpayer Identification Information Form – A W-9 form is required by IRS regulation and must be on file prior to payment request. Complete and return to the assigned DPO. | Agency |
| Vendor Profile – This form is required by the Purchasing and Contracting Department. This information is used to process all payments. All new funding recipients must provide the information. Complete and return to the assigned DPO. | Agency |

II. COMMUNITY DEVELOPMENT BLOCK GRANT OBJECTIVES

The primary emphasis of the CDBG grant program is to insure that each activity meets and complies with one of HUD's three broad national objectives which are:

1. Benefit to low-and moderate-income households and/or persons
2. Prevention and/or elimination of slum and blight
3. Addressing other community development needs having a particular urgency

Although a subrecipient can comply with the CDBG Program objectives by meeting any one of the three national objectives, *all of the City of Las Vegas' subrecipients* have been designated under a national objective benefiting low-to moderate-income households or individuals. For this reason, program benefit criteria under this objective is more fully explained in this Manual than the other two objectives.

A. BENEFIT TO LOW-AND MODERATE-INCOME HOUSEHOLDS AND/OR INDIVIDUALS

This national objective stipulates that subrecipient clients who benefit from CDBG funds must have low and moderate incomes as defined by HUD. In order to meet this benefit test, each subrecipient must adhere to the following:

1. Every subrecipient must serve persons of low and moderate income. Low-income is defined as a household that does not exceed 50 percent of HUD Section 8 Rental Income Limits. Moderate-income is defined as a household that has an income that does not exceed 80 percent of Section 8 Rental Income Limits. The current income limits are listed on Exhibit K. HUD updates these limits on an annual basis. Therefore the Neighborhood Development Division will provide new tables to the subrecipient as soon as they become available. It is the responsibility of the subrecipient to adhere to all new guidelines from the date they receive them. Go to www.hud.gov to receive the most up to date income guidelines.
2. Regardless of other income limits, requirements, guidelines and regulations that may govern a subrecipient's activities, for the purpose of the City of Las Vegas' CDBG program, all subrecipients must ensure that the income of the clients they serve does not exceed HUD's Annual Income Limits.

B. LOW-AND MODERATE-INCOME LIMITED CLIENTELE ACTIVITY CRITERIA

A limited clientele activity is an activity that benefits a specific group of people, rather than all the residents in a particular area. The limited clientele activities addressed in this section are intended to benefit at least 51% low-and moderate-income individuals. However, housing activities and activities designed to create or retain jobs may not qualify under this category. To qualify under this category, the activity must either:

1. Benefit a clientele who are generally presumed to be principally low- and moderate-income (L/M) individuals. The following groups are currently presumed by HUD to meet this criterion: Abused children, battered spouses, elderly, disabled persons, homeless and illiterate individuals, and migrant farm workers
2. Require information on family size and income so that it is evident that at least 51% of the clientele are individuals whose family income does not exceed the L/M limit

3. Have income eligibility requirements that limit the activity exclusively to low- and moderate-income individuals
4. Be of such nature and location that it is obvious the clientele benefiting from the activity will be low-and moderate-income individuals

Examples of limited clientele activities include:

1. Construction of a senior center
2. Public services for the homeless
3. Construction of job training facilities for the disabled
4. Meals on wheels for the elderly

C. RECORDS TO BE MAINTAINED

For each activity, the following three (3) types of documentation must be kept for a four (4) year period.

1. Records showing the activity is used by a segment of the population presumed by HUD to be low/mod individuals, e.g., disabled persons, persons with HIV/AIDS, homeless; or
2. Records describing how the nature and, if applicable, the location of the activity establishes that it is used predominantly by low-and moderate-income individuals. (Census tract data); or
3. Data showing the size and annual income of the immediate family of each individual receiving the benefit, if not in the applicable low-income census tracts.

D. EXAMPLE OF LIMITED CLIENTELE SERVICES

A clinic providing CDBG subsidized health services that are available to all individuals in a neighborhood would not qualify as a limited clientele activity. The CDBG subsidized services must be limited to individuals with low and moderate income who are considered presumed eligible such as: battered spouses, abused children, elderly, disabled, homeless, or illiterate individuals, and migrant farm workers. This means that only families or individuals who qualify by income may receive CDBG subsidized services. The clinic may offer a sliding scale fee to the general population. The same principal would apply to a childcare center.

III. ADMINISTRATIVE PROVISIONS

A. Written Agreement with City

A written agreement must be entered into between the City and all entities receiving CDBG funds. The written agreement forms the basis for the contractual obligation between the parties to fund and implement the activity or program. The agreement will denote responsibilities attributable to each party, and shall outline in exact measure the scope of services to be provided, methods of accountability, and a schedule for payment. Execution of the agreement binds the Subrecipient for a specified period of time, and is changeable only upon written authorization from the City.

B. Post-Award Responsibilities

Upon execution of the agreement between the City and the Subrecipient, the Subrecipient shall:

1. Immediately report all changes in its articles of incorporation, bylaws, or tax-exempt status to the City.
2. Maintain no member of the Board of Directors as a paid employee, agent or subcontractor.
3. Include on the Board of Directors representation from the broadest possible cross-section of the community, including those with expertise and interest in the provided services, representatives from community organizations interested in the services, and users of the services.
4. Open to the public all meetings of the Board of Directors, except meetings, or portions thereof, dealing with personnel or litigation matters.
5. Keep minutes of all regular and special meetings of the Board of Directors, have a regular meeting at least once each three (3) months, and upon request, forward copies to the DPO.

C. Federal Requirements

Subrecipients and subcontractors must comply with all applicable federal regulations governing the use of CDBG funds. These regulations include but may not be limited to those identified on the "Conditions of Federal Funding" attached hereto as Exhibit A

D. Insurance

Subrecipients shall obtain and maintain the minimum insurance coverage outlined in "Insurance Requirements" attached hereto as Exhibit D

IV. RECORDKEEPING IN GENERAL

The City of Las Vegas is responsible for ensuring that subrecipient activities are carried out in compliance with all applicable program requirements and that the program goals are on track with the objectives outlined in the agency contract. Accurate recordkeeping is crucial to the successful management of CDBG funded programs. Insufficient documentation can lead to delayed payments or monitoring findings, both of which can be difficult to resolve if records are missing, inadequate or inaccurate.

A. FINANCIAL RECORDS

Financial recordkeeping is one of the primary areas subject to HUD reviews and one which if inadequate can lead to serious problems. These are the types of financial records that must be maintained by the agency:

- Chart of accounts, written accounting procedures, accounting journals and ledgers;
- Payment requests and source documentation (bills, receipts, copies or cancelled checks, etc.);
- Procurement files (bids, contracts, etc.) and real property inventory;
- Bank account and payroll records;
- Financial reports, correspondence and audit files.

Staff with accounting skills but not necessarily with a CDBG background often handles the agency's financial functions. To ensure proper financial recordkeeping and reporting, agencies should help their financial staff understand:

- What information needs to be kept and why;
- When should information be collected and how often reported;
- How the information should be acquired, organized and stored;
- How the information should be reported (format) and how long the records must be kept.

B. PROGRAM ACTIVITY RECORDS

Grants Accounting Records

Financial records are an integral part of the required computer accounting system. The required grants accounting records for subrecipients, are listed and discussed below.

The computer bookkeeping/accounting system should have a general ledger type printout showing the assets, liabilities, income and expenses. The system should provide a separate report for income and expenses by category or grant. Bank reconciliations must be performed monthly and balanced with the cash account in the general ledger. Further explanation of these required reports are as follows:

General Ledger, or Category Report (Quicken type software), - The general ledger shall include separate accounts for all assets, liabilities, income, and expense categories, as well as an account for the cash/fund balance.

Cash Disbursements - A computer printout of the grant expenses by category or account code must be submitted with the reimbursement request.

Payroll Reports - Subrecipients are required to maintain payroll reports detailing gross salaries, all withholding and employer payments - Medicare, Social Security, SIRS and health insurance. Non-profits are exempt from federal unemployment tax, however, they are required to file state unemployment reports.

Property Register - To adhere to requirements outlined in the Revisions to 24 CFR Part 570 at subpart J, a listing of all property and/or equipment purchased with Federal grant funds in the amount of \$500 or more must be maintained. The Property Inventory form Exhibit N of this manual. We are aware that the OMB amount is \$5,000, however, the State of Nevada amount is \$500, and we must adhere to the more stringent of the two.

The Neighborhood Services Department requires that all federally funded equipment purchases must be recorded on an Inventory/Property Control Form, and submitted to NSD upon request. All use and proposed dispositions of grant-funded property is governed by the provisions under the revisions to 24 CFR Part 570 at subpart J.

For each program the agency should determine what data must be maintained in the program files and establish a system for ensuring that every file contain the necessary information. This list will vary from program to program, but each file should include the following:

- CDBG application, City contract, procurement information, bids and other contracts; budget, expenditure and payment information with supporting documentation;
- Characteristics and location of clients served;
- Program status, progress reports, audits, monitoring reports and correspondence.

C. RECORD RETENTION PERIOD

All CDBG files must be maintained for a minimum of *four* years.

D. ACCESS TO RECORDS

HUD and the Comptroller General of the United States, or their authorized representatives, have the right to access subrecipient agency program records. All CDBG grantees are required to provide citizens with reasonable access to records regarding the current funded programs and past, consistent with applicable State and local laws regarding privacy and confidentiality.

Information may be provided utilizing aggregate statistics. All clients may be lumped into categories, but no personal information may be released. In other words, you may provide a report that states: 150 clients served this month, 60 Caucasian, 60 African American, 15 Native Americans, 15 Asian. Of those clients, 25 were female head of household, 30 were Veterans, 100 were very low income, and 50 were moderate income. You may not release information regarding individuals to the public.

E. FINANCIAL MANAGEMENT

General Responsibilities

Management and administration of HUD grant funds is a shared responsibility of the subrecipient accepting the funds. The subrecipient's Director will be responsible for reviewing and approving all

transactions involving the grant funds, before the subrecipient's financial officer or accountant processes them. The subrecipient's Director and/or Board of Directors' responsibilities include:

- Approval of purchase orders and contracts to be reimbursed through HUD grant funds
- Receipt and approval of invoices
- Review and approval of requests for payments involving HUD grant funds are coded properly
- Compliance with the City Grant Agreement and Subrecipient Informational Program Manual

Finance Officer Responsibilities

The finance officer or accountant is responsible for maintaining a computer accounting/bookkeeping system. The finance officer's or accountant's responsibilities include, but are not limited to:

- Control of accounting documents for processing by the subrecipient
- Preparation of financial reports based on accounting records
- Preparation of requests for reimbursement, subject to review by the agency's Director
- Implementation and oversight of all financial procedures designed to avoid or eliminate waste, fraud, or abuse of grant funds.

Should the City determine that the finance officer or accountant is not maintaining proper financial records, or processing accurate information, the City has the right to request the subrecipient to remove that individual from grants responsibility.

The following is a list of key elements required of financial systems for managing federal funds. The questions can help identify specific areas where the agency may need to strengthen or improve.

1) INTERNAL CONTROLS

GENERAL FEDERAL REQUIREMENTS - FINANCIAL ADMINISTRATION

To meet the cash management requirements a subrecipient's financial management systems must provide for:

A computer accounting system that records the source of income and categorizes expenses for grant activities. This system should contain income and expenses pertaining to federal grants.

Effective control over all grant funds, property and equipment, and other assets. Subrecipients shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.

Comparison of actual checks written with budgeted amounts for each grant.

Computer printouts that are supported by source documentation (i.e. original invoices marked "Paid" with dates and check number). Please see Exhibit I for examples.
A separate account should be kept for all grant income and expenses.

A method to assure timely and appropriate resolution of audit findings and recommendations.

- Are there written policies and procedures that define separation of duties, authority, etc.?

- Are there written accounting procedures for approving and recording transactions?
- Are financial records periodically compared to actual assets/liabilities for accuracy?

2) ACCOUNTING RECORDS

Accounting System

The subrecipient's accounting system will be based on a cash accounting basis. This system is noted for two distinguishing elements. Income is recorded when it is received, and expenses are recorded when they are paid.

- Are adequate financial accounting systems in place and maintained?
- Is reliable, complete, up to date information available and are reconciliations performed on regular basis?
- Do accounting records track CDBG income and expenditures separately?
- Does the agency have internal controls for preparing expenditures and assigning them to the proper fund account and budget item?

3) ALLOWABLE COSTS

- Are there written procedures for determining what's reasonable and allowable under OMB circulars?

4) SOURCE DOCUMENTATION

Source Documentation and Records

In the simplest terms, financial transactions involve writing checks, and receiving reimbursement for eligible activities. Every grant related financial transaction must be recorded immediately into the accounting system.

Source documents, such as invoices or time cards, should provide all details of each transaction or activity. The information contained in the source documents is necessary for accounting purposes, and is recorded in the accounting/accounts payable system on your computer. The source documents must be readily accessible during monitoring visits.

A variety of source documents and records are needed to properly account for grant transactions. These documents include but are not limited to the following:

Service Contracts - All grant funded service contracts (accounting, leases, janitorial, etc.) must be a written agreement between the Subrecipient and the firm/individual.

The City of Las Vegas, Neighborhood Services Department must have copies of all service contracts that are to be reimbursed with City grant funds. The City has developed a standard subcontract form for your use, attached hereto as Exhibit Q.

Invoices - All subrecipients are required to retain original invoices or sales receipts for all purchases. All invoices must be marked "PAID" with the check number, and date paid included. A stamp is recommended for this.

If any original document for an expense cannot be located during a monitoring visit, the amount will be deducted from your next reimbursement request.

Payroll Records - All subrecipients will maintain concise documentation for both the time worked and tasks undertaken. The employee and his/her immediate supervisor must sign employee time cards.

- Are up-to-date files of original source documents (receipts, invoices, bills, cancelled checks, credit card reconciliations, time cards) maintained for all financial transactions?

5) BUDGET CONTROLS

An appropriate bookkeeping/accounting software can manage budget controls.

- Does agency develop monthly financial statements that compare actual expenditures for each budget category against approved budget?
- Does agency regularly compare progress toward the achievement of goals with the rate of expenditures of program funds?

6) CASH MANAGEMENT

- Does agency have a procedure for accurately projecting the cash needs?

7) FINANCIAL REPORTING

- Is agency able to provide accurate disclosure of financial results of CDBG program?

8) AUDITS

Your agreement with the City is subject to an OMB A-133 Audit pursuant to the Single Audit Act. Effective July 1, 1997, the Office of Management and Budget requires that grant recipients who receive \$300,000 or more in federal funds for two consecutive years conduct an A-133 audit.

The A-133 audit is both a financial and program audit. It encompasses auditing of your expenses as well as your program. In other words, the audit is to make sure that you expended the grant funds for allowable costs and accomplished the objectives according to your Scope of Services.

In order to ensure compliance to the greatest extent feasible, the Neighborhood Services Department established a policy, effective July 1, 1997, which requires agencies receiving annual federal funding of \$50,000 or more for two consecutive years to submit an audited financial statement. The audited financial statement is due within six months after the end of the agency's second year. Be careful when you are selecting a CPA firm to perform an audit. Not all CPA firms have experience with non-profit agencies' requirements.

The United States General Accounting Office (GAO) states that subrecipient agencies must ensure that federal program resources are applied "efficiently", economically and effectively to accomplish the program objectives. The financial and performance audits are designed to assure that subrecipient agencies are accountable to HUD, the City and the public. In particular:

1. *Financial audits* are designed to provide an independent opinion on the agency's financial statements, internal central structures, and compliance with specific financial systems and procedural requirements.

2. *Performance audits* provide an independent point of view on the extent to which the agency has efficiently and effectively carried out its operations, and achieved the intended program results and benefit.

The primary goal of the audit is to determine whether your agency has adequate systems in place to assure that:

4goals and objectives are met;

4resources are safe-guarded;

4laws and regulations are followed; and

4reliable data is obtained, maintained and accurately disclosed.

Audit Due Date

The agency's audit is due within 90 days after the close of the agency's fiscal year during which funds were expended.

- Has a recent audit been conducted and what were the results?

9) REIMBURSEMENTS

ESTABLISHING THE SUBRECIPIENT'S GRANTS FINANCIAL SYSTEM

Interest earned on federal grant funds must be reported to the City monthly as Program Income; and must be used in the operation of the specific grant program.

CDBG FINANCIAL REIMBURSEMENT

Reimbursement will only be provided for allowable costs as approved by the City of Las Vegas. Allowable costs must be directly related to the Grant.

The City of Las Vegas will only reimburse the subrecipient for expenditures actually incurred.

All subrecipient requests for reimbursement must be made by accurately completing the Request For Funds, Exhibit G, with an accounts payable, general ledger or category printout attached which ties to the expenses. Random samples of invoices relating to these printouts will be requested.

V. Fiscal Management

A. Budget Types and Cost Categories

Budgets should be prepared in one of two general formats:

1. General Programs and Public Services

There are three cost categories within this budget type:

a. Personnel Costs

- 1) Personnel - Costs associated with the positions identified on the Staffing Plan. Costs should reflect the actual amount of time each position spends on the program.
- 2) Fringe Benefits - Eligible payroll-related costs of health insurance, retirement fund contributions, FICA, Worker's Compensation, and other payments made on the behalf of the employee.

NOTE: Non-profit agencies are exempt from paying federal unemployment tax, although State unemployment tax applies. Make sure your payroll service is not charging your agency for this. You will not be reimbursed for any federal unemployment taxes you pay.

b. General Non-Personnel Costs

- 1) Supplies - Consumable commodities that have a useful life of one year or less and which are valued under \$500, except for computer equipment, which must be inventoried and accounted for separately.
- 2) Communication - Costs of telephone, telephone installation, leasing of phone equipment, and postage.
- 3) Printing - Cost of copying and printing, whether done in-house or through an outside printer; supplies such as paper or fluids for copy machine owned or leased for program use.
- 4) Utilities - Costs associated with gas, electricity, water, and trash removal.
- 5) Rent - Rental charges for real property; office space for program.
- 6) Travel (local) - Costs for mileage reimbursement and conference expenses within Clark County. Mileage reimbursement includes only travel by staff or volunteers for conducting the business of the subrecipient. No personal mileage will be reimbursed.
- 7) Travel (other) - All travel and conference expenses outside of Clark County to employees and volunteers for actual mileage. Out of state travel requires prior City approval.
- 8) Insurance - Insurance-related costs required for the operation of the program.

- 9) Miscellaneous - For eligible expenses not noted above. Should not exceed 1% of CDBG grant.
- 10) Food/snacks – Eligible only for clients, such as after school snacks for children. Please contact your DPO for guidance.

c. Specific Non-Personnel Costs

- 1) Equipment Rental - Costs for the rental of equipment, which is essential for the operation of the program.
- 2) Equipment Purchase - Purchase of equipment essential for the operation of the program in those instances where it is more cost effective to purchase equipment rather than rent it. Includes any item with a useful life of more than one year and a cost greater than \$500. Purchase of equipment requires prior City approval.
- 3) Contracted Services - Professional and technical services not performed by staff.
- 4) Audit Fees - Programs funded for \$50,000 or more are required to have an independent audit performed.

B. Budget Revisions

Modifications to approved budgets are allowable but must be directly related to changes in program services and activities.

Public Service:

To implement a budget modification for Personnel Costs and General Non-Personnel Costs, the Subrecipient must submit a written request, which identifies the reasons for the adjustment. The request must be specific as to which line items are to be increased and which are to be reduced and must be specifically approved by the City in writing as a change to the written agreement or contract between the City and the Subrecipient.

Specific Non-Personnel Costs may be modified only upon written authorization from the City. A request for adjustment in this area must be in writing and must identify the reasons for the specific changes and resultant line item changes.

The Director of the City of Las Vegas Neighborhood Services Department or the Neighborhood Services Development Division Manager has the authority to grant or deny requests for budget revisions. The City will issue a written decision within 7 business days of receiving the request.

C. RECORDS

Organizations receiving CDBG funds must keep the following fiscal records:

1. Bookkeeping Journals and Ledgers

Provide accurate accounting for cash receipts, cash disbursements and cash balances. All cash, revenues and expenses must be reconciled to the general ledger. Back-up documentation for journal entries must be kept and properly filed. Documentation must include: invoices, bills and other receipts, deposit slips, bank statements, check stubs, check books, canceled checks, purchase orders, petty cash records and other verification as applicable.

2. Payroll Records

Payroll records will show actual gross earnings; net payroll and payroll deductions for each individual staff member by pay period. If an employee is paid by more than one fund or program, the payroll journal will need to reflect the distribution of time and money against each fund or program.

Back-up documentation must include:

- a. Canceled paychecks;
- b. Tax records;
- c. Worker's compensation records;
- d. Individual time sheets.

3. Petty Cash Record

A petty cash fund may be set up to take care of small item payments. All such payments must be supported by petty cash vouchers and receipts and must be an eligible expense. The size of the fund is left to the discretion of the Subrecipient.

4. Time Records

Time records should be kept indicating actual time paid, including types of time such as sick leave, vacation leave, compensatory time, etc. Time sheets should be kept by the day and signed by the employee and supervisor.

Agencies using volunteer hours for in-kind match must keep signed time records by the day indicating actual time donated.

The Subrecipient shall maintain a system of internal control in accordance with generally accepted accounting practices. Internal control consists of a plan or procedure to safeguard assets, check the adequacy and reliability of accounting data, promote operating efficiency, and assures compliance with appropriate laws and regulations. On or before 90 calendar days after termination of the contract, the project coordinator should submit to the City an annual inventory update and a closeout financial report. All property, documents, data, studies, reports and records purchased or prepared by the Subrecipient under contract should be disposed of according to contract.

In the event the program terminates, copies of all records relating to the program or activity that are the subject of the contract shall be furnished to the City.

Financial reports required to be prepared and submitted by the Subrecipient to the City shall be accurate and correct in all respects. Should inaccurate reports be

submitted to the City, the City may elect to have the Subrecipient secure the services of a licensed accounting firm. Cost of such accounting services are to be borne by the Subrecipient.

D. Expenditures

All expenditures associated with an approved activity or program must comply with the following criteria:

1. Limitation of Expenditures

- a. The Subrecipient shall not expend funds provided under the contract prior to the commencement of the contract or subsequent to the suspension or termination of the contract.
- b. Expenditures shall be made in conformance with the approved budget and shall meet the criteria established for allowable costs.
- c. Expenditures shall be in direct support of the program that is the subject of the contract. The Subrecipient shall notify the City in writing of any expenditure for items jointly used for any other program(s) and the expenditures shall be apportioned according to the percentage of direct use in the program.
- d. The City will not reimburse sales tax charged on an invoice. Subrecipient must obtain an exemption from the State.

2. Eligible Costs

To be eligible for payment, costs must be in compliance with Office of Management and Budget Circular (OMB) A-122 (Appendix II) and with the principles set forth below:

- a. Be necessary and reasonable for the proper and efficient performance of the contract and in accordance with the approved budget. The City shall have final authority to determine in good faith whether expenditure is "necessary and reasonable."
- b. Conform to the limitations within this manual and to any governing statutes, regulations and ordinances.
- c. Be fully documented and determined in accordance with approved accounting procedures.
- d. Not be included as a cost or used to meet cost sharing or matching requirements of any other funding source in either the current or a prior period.
- e. Be the net amount of all applicable credits such as purchase documents, rebates, sales or other income or refunds.
- f. Document all costs by maintaining complete and accurate records of all financial transactions, including but not limited to: contracts, invoices, timecards, cash receipts, vouchers, canceled checks, bank statements and/or

other official documentation evidencing in proper detail the nature and propriety of all charges.

- g. Submit to the City, within seven (7) working days of the end of the preceding month, requests for reimbursement together with a summary of expenses on a form approved by the City supporting documentation.
- h. Submit to HUD or City at such times and in such forms as HUD or, City may require, statements, records, reports, data, and information pertaining to matters covered by the agreement or contract.

3. Ineligible Costs:

- a. Bad debts: any losses arising from uncollectable accounts and other claims, and related costs.
- b. Contingencies: contributions to a contingency reserve or any similar provisions for unforeseen events.
- c. Contributions and donations.
- d. Entertainment: costs of amusements, social activities and incidental costs such as meals, beverages, lodging and gratuities relating to entertainment, or any political or lobbying activity.
- e. Fines and penalties: costs resulting from violations of or failure to comply with Federal, State, and local laws and regulations.
- f. Interest and other financial costs: interest on borrowings (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection therewith.
- g. Membership expenses: costs of membership in any organization, which devotes a substantial part of its activities to influencing legislation.
- h. Non-competitive subcontracts: payments under a subcontract not obtained under competitive bidding procedure, unless the City specifically waives the requirement for such a procedure.

Please see Exhibit I for examples of how to submit backup for reimbursements.

E. Program Income

Organizations providing services funded through a City of Las Vegas CDBG grant may charge fees to clients to reduce the costs of service delivery. Such fees, or any other earnings generated through the use of CDBG funds, are considered to be program income (PI). PI includes, but is not limited to, fees charged for services, proceeds from the

sale of tangible personal or real property, usage or rental fees, and patent or copyright royalties.

PI shall be reported to the City on the Monthly Reimbursement Report and shall be used solely to offset the operating expenses of the activities funded through the Agreement with the City. PI is subject to all provisions of the Agreement, and must be expended prior to requesting reimbursement from the City for eligible expenses.

All PI must be reported. A total amount under \$100 may be reported quarterly rather than in the month in which it is collected.

Donations are defined as free will offerings to an organization not related to receiving a service or benefit. Donations are not PI and do not have to be reported.

PI does not reduce the size of the organization's CDBG grant if the PI is spent on eligible items. However, any PI not spent will result in a reduction in the amount of funds reimbursed.

Housing development agencies which use CDBG funds for administration only do not report funds received from the construction of affordable housing units as PI.

VI. Procurement, and Contracting - Procedures and Requirements

A. Equipment Procurement

1. Equipment v. Supplies

Equipment is defined as tangible property costing more than \$500 and having a useful life of more than one year. The purchase of equipment is generally ineligible, because equipment is usually expensive, and can generally be rented at a lesser cost for a short period of time. Because CDBG funds are limited, equipment may only be purchased if absolutely necessary for the program. Thus, rental of equipment is recommended over purchase.

Items which cost less than \$500 and which have a useful life of less than one year are considered to be supplies and are to be purchased under the General Non-Personnel Costs (Supplies) cost category, except for computer equipment, which must be inventoried and accounted for. Use Exhibit N for this purpose.

2. Limitation on Purchase of Equipment

Under HUD regulations, the purchase of equipment, fixtures, motor vehicles, or furnishings that are not an integral structural fixture is ineligible except when necessary for use by the City or a Subrecipient in the administration of the overall City CDBG grant or as part of the administration of a public service program.

3. Notification Requirements

All purchases of equipment require prior City approval. Requests to purchase equipment are to be sent to the DPO 45 days prior to the purchase order date. The request is to include the cost of the item, where it will be purchased, a detailed explanation of why it should be bought rather than leased or rented, and where the funds for the purchase will come from. If City CDBG funds will only be paying a portion of the purchase, list other funding sources and the respective amounts. The DPO will review the request and receive a decision within 10 working days. Rationale for a negative decision will be included in the response.

4. Reversion to City

Under HUD regulations, the City has the option to obtain the equipment from the program when funding stops for the program. The review of the type of equipment to be purchased will include mention of its possible usefulness to the City. The City may also permit the Subrecipient to retain the equipment at the time the funding ends.

All other personal property, supplies and equipment purchased pursuant to this agreement and not consumed shall become property of the City.

B. Inventory Instructions:

1. Agency - Name of Agency receiving grant.
2. Description - A brief description of the item of property.
3. Manufacturer's Serial Number - Provide the manufacturer's serial number for all items.
4. Title or Owner - Name of Agency on property's title.
5. Acquisition Date - Date of Purchase.
6. Percentage of Federal Participation - Portion paid by CDBG funds.
7. Cost - Supply the actual purchase price.
8. Disposal Date - Date sold or disposed of.

C. Procurement Definitions:

Price and Cost Analysis: A price or cost analysis must be made in connection with every procurement action. Price analysis involves comparing the bottom line price quoted, with typical prices paid for the same or similar materials or services (does not apply to sole source contracts). Cost analysis simply means you obtain the best price with the best service.

Sole Source: Procurement by noncompetitive process is solicitation from only one source. This process is rare and is acceptable only after solicitation of a number of sources is determined inadequate. Extensive documentation and justification is required to establish the audit trail. The agency may make the determination that competition is not feasible if one of the following circumstances exists:

1. The item is unique and available only from a single source.
2. There is a public urgency or emergency that exists that will not permit a delay resulting from a competitive solicitation.

Please use Exhibit M, to document your purchasing methods.

Equipment and or Services purchasing methods are as follows:

- | | |
|----------------------|--|
| 0 - \$ 500 | Direct reimbursement with an invoice copy. |
| \$500 - \$ 10,000 | Two or more verbal quotes; written quotes if labor or detailed product or service specifications. |
| \$10,000 - \$ 25,000 | Two written quotes obtained by subrecipient agency or the City's Purchasing staff. May use "Request For Quotes", advertise, and/or use pre-bid conference. |
| Over \$ 25,000 | Formal bid process with pre-bid conferences and formal bid openings. |

D. Subcontracts

Should a Subrecipient find it necessary to subcontract in order to meet its obligations under its agreement with the City, it must enter into a written agreement with those individuals or organizations providing services. A standard subcontract form has been developed by the City and is available for your review, Exhibit Q.

1. **Provisions Required in Subcontracts**

- a. Name, address, phone number and social security number of subcontractor.

- b. A termination clause requiring twenty days notice by which either party may terminate the agreement.
- c. A City uninvolved clause releasing the City from any liability for any breach of the subcontract by either party.
- d. A scope of services.
- e. The total dollar amount of the subcontract.
- f. A termination date no later than the end of the current CDBG program year.
- g. A clause requiring the contractor to comply with stated "Conditions of Federal Funding".
- h. An independent contractor clause stating that the subcontractor is an independent contractor or employee of the Subrecipient. Subcontractor is not an agent or employee of the City, and as such waives any claims to any rights or benefits which accrue to employees of the City.
- i. Signature of person authorized by Subrecipient's Board of Directors to execute agreements.
- j. Signature of person authorized by subcontractor to execute agreements.

2. Review of Subcontracts by City

All Subrecipients in their first year of receiving CDBG funds from the City must submit all subcontracts valued at more than \$500 to the City for review and approval prior to execution.

In a Subrecipient's second year of CDBG funding, prior review and approval by the City is required only when the value of the subcontract exceeds 10% of its CDBG grant or \$10,000, whichever is less.

All subcontracts requiring review and approval by the City must be submitted at least 10 business days prior to an effective date. The DPO will respond to the request for approval within 7 working days. Subcontracts must be approved prior to execution by any of the parties.

3. Required Subcontract Documentation

The Subrecipient shall maintain the following documentation in its files:

- a. Summary of bids and proposals received.
- b. Justification for any non-competitive procurement of contract services and reasons for the selection of the subcontractor.
- c. Justification for the selection of other than the lowest bidder in a competitive procurement.
- d. Section 3 compliance documentation, if required.

4. Types of Subcontracts Covered Under This Section

- a. Bookkeepers and auditors.
- b. Contractual personnel services (those not on the subrecipient's payroll).
- c. Office equipment rental.
- d. Office space rental.
- e. Rental of vehicle (van, bus, etc.) to be used on a regular basis for carrying clients of the Subrecipient.

5. Types of Subcontracts Not Covered Under This Section

- a. Extension of above contracts if dollars per hour/month/year do not change.
- b. Vehicle rental to take program's clients to a particular event. (Requests for travel related to trips outside of Clark County are required under the agreement with the City)
- c. Maintenance agreements for office equipment
- d. Janitorial services for office space.

CONFLICT OF INTEREST

Conflicts of interest (or appearance thereof) can plague activities supported with federal funds. The general rule is that no employee, board member, officer, agent, consultant, subrecipients which are receiving funds under a CDBG assisted program who have responsibilities with respect to the CDBG activities or who participate in decision making process or have access to inside information with regard to the activities can obtain a personal or financial interest or benefit from a CDBG assisted activity during their tenure or for one year thereafter (Federal Regulation 24 CFR 570.611 attached).

Agencies should maintain a written code of standards of conduct governing the purchase of materials, product, supplies, services and awarding and administering subrecipient contracts. Personnel involved in the procurement process must be trained to recognize situations that create real, or the appearance of a conflict of interest. The agency personnel should:

1. Be familiar with the agency's code of ethics and potential conflict of interest issues.
2. Not take gifts or gratuities from persons or organizations associated with the procurement process.
3. Assure the proposal evaluators or member of their immediate families do not have financial interest in the companies.

Insert the Conflict of Interest Regs here

VII. Monthly Reimbursements

City NDD staff will review each request for reimbursement submitted by Subrecipient. Questionable or ineligible expenses will be identified and the Subrecipient will be requested to submit clarifications, corrections, or additional information. **If any original document for an expense cannot be provided upon immediate request, the amount will be deducted from your next reimbursement request.**

A. General Programs and Public Services

Requests for reimbursement for eligible expenses shall be submitted on a monthly basis. A Monthly Request for Funds and a Line Item Expense Detail must be submitted on City forms, and must be certified by the organization's Director or Financial Officer. Reimbursement requests received by the 7th working day of the month will, in most cases, be paid no later than the end of the month. See "Request For Funds" for general programs and public services attached hereto as Exhibit G, and "Line Item Expense Detail attached hereto as Exhibit H.

B. Mileage and Travel

The NDD program will reimburse those reasonable mileage and travel costs that are necessary to carry out the services identified in the Subrecipient's Agreement with the City. Mileage and travel expenses not necessary for the program, or of a personal nature, are not eligible for reimbursement. Volunteers authorized by the program to be reimbursed for mileage relating to services for the program must provide proof of automobile insurance.

1. Mileage: The Subrecipient shall submit written mileage records identifying the driver of the vehicle, the number of miles driven on each day, and the purpose of the trip. The Subrecipient shall certify the accuracy of the information reported. Please use the form attached hereto as Exhibit O.

2. Travel: Reimbursable costs include conferences, lodging, food, and other non-mileage costs. NDD policy requires that all travel costs be kept to a minimum. Supporting documentation must be provided with all requests for travel reimbursement.

- a) Local Travel: Defined as travel within Clark County.
- b) Non-Local Travel: Non-local travel is travel to a location outside of Clark County, but within Nevada. No prior approval is required for these trips.
- c) Out-of-State Travel: Approval for out-of-state travel must be requested in writing from the City's NDD Manager 10 working days prior to the trip. The NDD Coordinator will review the request and provide a response within five (5) working days.

C. Telephone Expenses

- a. Reimbursable Expenses: The CDBG program will reimburse only those reasonable costs for local and non-local telephone calls necessary to carry out the services identified in the Subrecipient's Agreement with the City. Actual costs of phone calls and the monthly cost of supporting the phone system are eligible for reimbursement. Such expenses include equipment rental or lease and monthly service charges. All out-of-state calls must be documented with a

description of the purpose of the call and its relationship to program activities. Please use Exhibit P to track the calls.

- b. Exceptions: Personal phone calls are not reimbursable. In addition, calls made for the purpose of raising funds are not eligible for reimbursement.
- c. Pro-rating of Expenses: If the program receives funding from several sources, only those telephone expenses solely related to the that portion of the activity which is funded out of the Subrecipient's CDBG grant are reimbursable. All such costs must be specifically identified to the City's satisfaction.
- d. Additionally, if the amount of the subrecipient's CDBG grant is less than the program total budget, phone costs are reimbursable at a percentage equal to the level of CDBG funding as compared to total program funding.

D. Request For Funds Form

This form itemizes your grant expenses by City account number. The total on this form should equal the total on the general ledger or accounts payable computer printout for all CDBG eligible expenses. You may also include an Excel type spreadsheet noting expenses by category. Reimbursement requests will not be processed without this computer printout attached.

The subrecipient should send or bring the original reimbursement form, with accompanying copies to justify expenses, to the City of Las Vegas. The address is:

City of Las Vegas
Neighborhood Services Department
Neighborhood Development Division
400 East Stewart Avenue, Second Floor
Las Vegas, NV 89101

The City's Finance Department processes payments once a week and mails checks every Friday. From the time documents are received, it will take approximately fourteen (14) days to process if the expense report is received by the Monday of the previous week.

E. OTHER MONTHLY REQUIREMENTS

Monthly status and client reports are due no later than the 7th of the month, whether or not a request for payment has been submitted. The monthly status report explains the progress the program has made in relation to the goals and performance indicators outlined in the contract Scope of Work. The report must be submitted on Exhibit J, attached hereto.

VIII. Monitoring and Documentation

A. MONITORING REVIEWS

The City of Las Vegas is responsible for ensuring that subrecipients comply with all regulations and requirements governing their administrative, financial and programmatic operations. This includes assuring that performance goals are achieved within the scheduled time frame, budget and when necessary taking appropriate actions when performance problems arise. Monitoring is not a "one-time-event".

The five basic steps to the formal monitoring visit include:

1. Notification Call or Letter - Explains the purpose of the visit, confirms date, scope of monitoring and outlines the information that will be needed to conduct the review.
2. Entrance Conference - Introduces monitoring visit purpose, scope and schedule.
3. Documentation and Data Gathering - The City will review and collect data and document conversations held with staff, which will serve as the basis for conclusions drawn from the visit.
4. Exit Conference - At the end of the visit the City will meet again with the key agency representatives to present preliminary results, provide an opportunity for the agency to correct misconceptions and report any corrective actions already in the works.
5. Follow-Up Letter - The City will forward a formal written notification of the results of the monitoring visit pointing out problem areas and recognizing successes. The agency will be required to respond in writing to any problems or concerns noted.

B. MONITORING PROCESS

1. Purpose

City NDD staff will conduct an on-going monitoring process in order to review the programmatic and financial aspects of the Subrecipient's activities. NDD staff will review monthly reports submitted by the Subrecipient for compliance with federal regulations regarding the use of federal funds and the implementation of the program.

The monitoring process is oriented towards resolving problems, offering technical assistance, and promoting timely implementation of programs. To this end NDD staff may require corrective actions of the Subrecipient. Following are examples of significant problems, which will trigger corrective action by the Subrecipient:

- a. Services are not documented;
- b. Goals are not being met;
- c. Program files not in order;
- d. Complaints by clients;
- e. Required reports not being submitted in a timely manner.

2. Monthly Programmatic Monitoring

- a. Subrecipients will submit a monthly report detailing the implementation and administration of the activity or program. The monthly programmatic report shall include the following:
 - 1) Progress in meeting stated goals and objectives;
 - 2) Changes in staff or Board of Directors;
 - 3) Problems encountered and steps taken to resolve them;
 - 4) Other general information as appropriate;
 - 5) A "Monthly Subrecipient Client Summary" attached hereto as Exhibit J. This report shall identify the income, ethnicity, and household status of clients receiving CDBG-funded assistance within the reporting period.
- b. **This report is due in the City NDD office by the seventh (7th) working day of the month following the month when services were provided.**

3. Monthly Financial Monitoring

- a. Subrecipients will submit a monthly report concerning the financial and accounting status of the activity or program. See Request For Release Of Funds, attached hereto as **Exhibit G** and "Line Item Expense Detail attached hereto as **Exhibit H** The monthly financial report shall include the following:
 - 1) Summary of all disbursements of CDBG funds.
 - 2) Summary of all requests for reimbursement of CDBG funds.
 - 3) Report on percentage of CDBG funds expended and remaining by cost category.
- b. **This report is due in the City NDD office by the seventh (7th) working day of the month following the month when services were provided.**

4. On-Site Visits

Based on monitoring results, City NDD staff may hold discussions with Subrecipients whose performance does not appear to be sufficient to meet the goals and achievements as outlined in the agreement. An on-site visit may occur to discuss the service activity shortfall.

On-site monitoring visits may also be conducted in order to ascertain that eligible clients for whom the program was intended are being served and that in the event of an audit; the required client information is being maintained.

5. Monthly Reports to City Council

Based on the information received from the Subrecipient, City NDD staff will submit monthly reports to the City Council, which provide updates on the Subrecipient's goals and achievements. Staff may recommend corrective action to be taken by City Council should other efforts at obtaining compliance be ineffective.

C. CLIENT DOCUMENTATION BY SUBRECIPIENT

Each Subrecipient is required to maintain documentation on clients benefiting from activities and programs funded through the City's CDBG program. As a condition of

receiving the HUD grant, the City, and in turn the Subrecipient, must certify that low- and moderate-income persons are being served. HUD also requires information on the race and ethnic background of the clients, how many are female heads of households, their residency in the City and how many are very- low income. City NDD staff and HUD must also have access to the names of the clients. Any information regarding applicants for services funded through federal monies shall be held in strict confidence.

1. Required Documentation

- a. All Subrecipients shall obtain and maintain the following information on each client served:
 - 1) Client name and address;
 - 2) Gender;
 - 3) Ethnicity/race;
 - 4) Head of household status;
 - 5) Income.

This information shall be submitted with the Subrecipient's monthly reports. Subrecipients shall use the "Client Self Certification of Household Composition and Income" form attached hereto as Exhibit L to collect this information from assisted households.

2. Exceptions to Maintaining Required Income Documentation

Income documentation is not required for the following client types:

- a. Clients of a battered women's shelter.
- b. Seniors 62 years of age and older.
- c. Persons with recognized disabilities.

All other documentation is required.

In unusual circumstances and with prior written authorization from the City, other required client documentation may be waived.

D. COMPLIANCE REVIEWS

The Neighborhood Development Division estimates that the staff will conduct at a minimum quarterly monitoring reviews. The Neighborhood Development Division staff person assigned to the Agency will conduct the review. To meet the requirements of HUD's revisions to 24 CFR Part 570 at Subpart J, and OMB Circular A-110, all agencies must retain all grant records including the Subrecipient's Administrative Manual for a minimum of four (4) years in order to allow access for audit and public examination. If audit findings are not resolved, records shall be retained beyond four (4) years.

Reviews will include, but are not limited to the following areas:

- Client statistics and records
- Initial and continued client eligibility
- Contract with City and required liability insurance

- Grant funded equipment inventory
- Grant funded personnel records
- Compliance with the National Objectives and your Scope of Services
- HUD low and moderate income guidelines
- Accounting and payroll records if applicable. (W-2 Forms for verification)

E. CLIENT RECORDS - REVIEW WILL INCLUDE, BUT IS NOT LIMITED TO:

1. FILES

- a. Name, address and phone number of clients. It is acceptable to use a client number instead of name and address for reasons of confidentiality as long as files are accessible during monitoring
 - b. Date client applied for services
 - c. Documentation of the type of service requested and received
 - d. Documentation of low and moderate income benefit applicable
 - e. Ethnic data on client.
2. Whether services provided are consistent with the particular HUD funded activity description
 3. Whether the Agency maintains statistical records that contain data on services provided, number of clients served and how the records are prepared (weekly, monthly, quarterly etc.)
 4. Whether information submitted in the Monthly Status Reports is verifiable

NOTE: Each file shall include legibly noted documentation in chronological order on a File or History Log. Reviewer should be able to track client from intake, through ongoing assistance and file completion.

F. CDBG AGREEMENT AND REQUIRED INSURANCE - REVIEW WILL INCLUDE, BUT IS NOT LIMITED TO:

1. Copy of current, signed, HUD grant contract between the City of Las Vegas and the Agency is on file.
2. Documentation that the agency has liability insurance in an amount equal to, but not less than, the HUD grant contract amount:

G. EQUIPMENT MANAGEMENT AND DISPOSITION - REVIEW WILL INCLUDE BUT WILL NOT BE LIMITED TO:

1. Whether the agency has maintained an inventory of HUD grant funded equipment.
2. Whether the agency has purchased or disposed of any HUD grant funded equipment which costs \$500.00 or more.
3. Whether the Subrecipient's equipment inventory records contain the following information:
 - a. Property description
 - b. Identification numbers
 - c. Acquisition date
 - d. Disposition date, if applicable

Please use the Property Control Form, attached hereto as Exhibit N

H. CDBG SALARIED PERSONNEL

1. Personnel Files
 - a. W-4 Form
 - b. Employee name, address and social security number
 - c. Documents showing fringe benefits, such as health insurance or a 401K plan.
 - d. Employees work performance evaluation
 - e. Termination, promotion, resignation documentation, if applicable
 - f. Employee's pay scale

I. NATIONAL OBJECTIVES - REVIEW WILL COVER

1. Documentation that activity is meeting the national objectives under which activity was funded.
2. Documentation that activity is benefiting City of Las Vegas.

J. RANDOM SAMPLE

This form will be used by the Neighborhood Services Department when reviewing your grant related expenses. It will be sent to you prior to the site visit.

K. INTERVENTION and SANCTIONS

The City is responsible for ensuring that problems areas are corrected. We will make every effort to work with the agency to find solutions. However, agencies will be held accountable for the performance standards outlined in the agency contract and CDBG Handbook. The City will use three increasingly serious stages to identify and address subrecipient problem areas.

Stage One Early Intervention

Plan a strategy, which provides training and technical assistance and more frequent and thorough reporting and monitoring reviews.

Stage Two Intervention (More Serious or Persistent Problems)

The City may restrict payment requests, disallow expenses or require repayment or impose probationary status.

Stage Three Sanctions

The City may temporarily suspend the subrecipient from participation in the program, not renew the agency's contract for next program year, terminate the contract or initiate legal action.

L. PROGRAMMATIC CLOSE-OUT

Programmatic close-out will consist of, but will not be limited to, the following:

1. Review and verification of annual client statistical and narrative report due 30 days after the end of the program year - July 30th. Your June report with year-to-date client totals, along with a program narrative will suffice.
2. Review of subrecipient record keeping system, including, but not limited to:
 - a. Activity documentation
 - b. Personnel files

- c. Inventory control files
- 3. Evaluation of activity and program accomplishment

M. FINANCIAL CLOSE-OUT

Financial close-out will consist of, but will not be limited to the following:

- 1. Review and verification of information submitted in the final drawdown request
- 2. Review of subrecipient record keeping system:
 - a. Accounting records and ledgers
 - b. Source documentation (invoices, time cards, canceled checks, etc.)
 - c. Budget documentation (modifications, etc.)
 - d. Equipment purchases
- 3. Evaluation of activity financial accomplishment

N. EQUIPMENT DISPOSITION

All equipment with a cost of \$500 or more purchased with HUD grant funds shall revert to the City of Las Vegas at the close of the activity. If a subrecipient wishes to continue utilizing the equipment, and is **not** funded the following year, a letter must be submitted to the Neighborhood Services Department requesting approval and describing how, through the continued use of the equipment, the grant objectives will be met. The City reserves the right to refuse any request.

Equipment shall be depreciated on a 5-year, straight-line basis, as is the accounting standard used for the City of Las Vegas in its financial management. A subrecipient is required to maintain records of the HUD funded equipment purchases and report to the City during the 5 year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the City shall provide the subrecipient with disposition instructions upon request. If the property is disposed of for cash during this period it constitutes Program Income, which must be reported.

When equipment has been fully depreciated, and the equipment is sold, the Subrecipient may retain such funds provided that the City is notified in writing and the funds are used for the exclusive benefit of the previously HUD funded program.

O. REAL PROPERTY DISPOSITION

Real property is defined as land, including land improvements and buildings. Any real property acquired or improved in whole or in part with CDBG funds in excess of \$25,000 must continue to meet the national objective of the program for a minimum of 5 years after expiration of the contract, or for a period of time as deemed appropriate by the City.

If not used as such, the Subrecipient must sell the real property in a manner that results in the reimbursement of the federal grant funds for the amount of the current fair market value of the property less any portion of the value attributable to expenses of non-federal funds for purchase or improvement to the property. This reversion of the real property will not be required after such period of time deemed appropriate by the City.

P. RECORD RETENTION

To adhere to HUD's legal requirement as contained in 24 CFR Part 570 Subpart J, HUD grant funded records must be retained for **four** years after the completion of the program, in order to allow access for audit and public examination. If audit findings are not resolved, the records shall be retained beyond the four years. The retention period starts when the annual or final

expenditure report has been submitted or, for non-expendable property, from the date of final disposition.

Q. CITY INTERNAL AUDIT REVIEWS

The City reserves the right to have its Internal Audit Division review all subrecipient records and transactions. Audit findings resulting in monetary repayment to the City will be collected by the City from the Subrecipient's non-federal funded resources. City Internal Auditors review Neighborhood Services Department's subrecipient monitoring/account reviews to begin their single audit reviews. Reports containing findings are then sent to both the Neighborhood Development Division and the subrecipient for compliance. Progress on the compliance is also monitored. Failure to rectify findings within the given time frame may result in suspension, termination of grant agreement, and/or disbarment from future grant funding.

R. EXTERNAL AUDIT REQUIREMENT

Prior to June 1997, Circular OMB A-133, Single Audit Act, was applicable to grant recipients who received \$25,000 or more in federal funds for two consecutive years.

As of July 1997, the Neighborhood Services Department audit policy is to require an OMB A-133 audit of non-profit agencies receiving \$50,000 per year or more in all federal grant funds for two consecutive years. The grantee agency (City of Las Vegas) has the option of enforcing stricter audit requirements than the OMB Circulars.

If the City processes vendor payments at the request of a subrecipient non-profit agency, and the non-profit agency receives no reimbursement checks from the City, then an OMB A-133 audit is not required. The payments on behalf of this grant would fall under the City's OMB A-128 audit.

Monitoring and account reviews, which are performed by Neighborhood Development Division staff, are adequate for subrecipient agencies that receive less than \$50,000 in federal funds for two consecutive years. However, those subrecipients will have to retain their records for four (4) years for possible future reviews.

EXHIBIT A
CONDITIONS OF FEDERAL FUNDING

A. RELIGIOUS ACTIVITIES
24 CFR 570.200(j)

As a general rule, in accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 570.200(J)(1)(2)(3).

B. POLITICAL ACTIVITIES
24 CFR 570.207

SUBRECIPIENT will comply with this section, which prohibits the use of CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

HATCH ACT
CHAPTER 15, TITLE 5, U.S. CODE

SUBRECIPIENT further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

C. PROGRAM INCOME
24 CFR 570.500

SUBRECIPIENT agrees that program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by SUBRECIPIENT with CDBG funds, less costs incidental to generation of the income;
4. Gross income from the use or rental of real property, owned by SUBRECIPIENT, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
6. Interest earned on program income pending its disposition.

D. DISPOSITION OF PROGRAM INCOME
24 CFR 570.504

Program income shall be recorded separately and returned to the CITY for disposition. Upon approval by the CITY, income from the Project may be retained by SUBRECIPIENT provided that written notification is given to the Neighborhood Services Director and that the income is to be used for the exclusive benefit of the Program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations.

E. APPLICABILITY OF UNIFORM ADMINISTRATIVE REQUIREMENTS
24 CFR 570.502

SUBRECIPIENT shall comply with the requirements and standards of OMB Circular A-122, "Cost Principles for Non-profit Organizations," or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions."

F. OTHER PROGRAM REQUIREMENTS
24 CFR SUBPART K

SUBRECIPIENT shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 570.600-570.612, except that SUBRECIPIENT will not assume the CITY'S environmental responsibilities described at 24 CFR 570.604, nor the CITY'S responsibility for initiating the review process under the provisions of 24 CFR Part 58.

1. GENERAL--24 CFR 570.600

SUBRECIPIENT agrees to comply with such laws and Program requirements as are applicable to grants made under section 106 of Title I of the Housing and Community Development Act of 1974.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964--24 CFR 570.601
FAIR HOUSING ACT--24 CFR 570.601
EXECUTIVE ORDER 11063--24 CFR 570.601

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating SUBRECIPIENT to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--24 CFR 570.602
AGE DISCRIMINATION ACT of 1975--24 CFR 570.602(c)
SECTION 504 OF THE REHABILITATION ACT OF 1973
24 CFR 570.602(c)

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Community Development Block Grant funds.

4. LABOR STANDARDS & DAVIS BACON ACT
24 CFR 570.603

Section 110(a) of the Act contains labor standards that apply to nonvolunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act also applies. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

5. ENVIRONMENTAL STANDARDS
24 CFR 570.604

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

6. NATIONAL FLOOD INSURANCE PROGRAM
24 CFR 570.605

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

7. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF
HOUSING
24 CFR 570.606

SUBRECIPIENT shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

8. EMPLOYMENT AND CONTRACTING OPPORTUNITIES
24 CFR 570.607

SUBRECIPIENT shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

9. LEAD-BASED PAINT
24 CFR 570.608

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 570.608; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

10. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR
SUBRECIPIENTS
24 CFR 570.609

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

11. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES
24 CFR 570.610

SUBRECIPIENT shall comply with the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circulars A-87, A-110, A-122, A-133, and A-128, as applicable, as they relate to the

acceptance and use of Federal funds pursuant to Part 570.610. The applicable sections of 24 CFR Parts 84 and 85 are set forth at Part 570.502.

12. CONFLICT OF INTEREST
24 CFR 570.611

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY as Recipient, or of any designated public agencies, or of SUBRECIPIENT who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted pursuant to Part 570.611, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

G. DRUG-FREE WORKPLACE

As a Subrecipient of CDBG funds, and in connection with public services offered, the SUBRECIPIENT agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F, which requires that SUBRECIPIENT shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

Exhibit B
SECTION 504
NONDISCRIMINATION BASED ON HANDICAP IN PROGRAMS FUNDED
BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

DEFINITIONS

Section 504 of the Rehabilitation Act of 1974, As Amended - Prohibits discrimination based on handicap in information, participation, services, housing, employment, building accessibility or any other aspects of a program funded by HUD. Regulations issued in 1988 are now being implemented to assure compliance with the Act.

Americans with Disabilities Act of 1990 (ADA) - Prohibits discrimination based on disability by all public/private employers, discrimination in public services by state or local governments, discrimination in places of public accommodations (restaurants, hotels, parks, schools, etc.). This Law becomes effective in 1992.

Individuals with Disabilities - This includes persons that are: 1) mobility impaired; 2) hearing impaired; 3) visually impaired; 4) developmentally disabled; and, 5) persons who remain in-home or institutionalized care settings.

REQUIREMENTS FOR HUD-FUNDED AGENCIES

1) General Requirements:

- a) No qualified individual with disabilities shall, solely on the basis of disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program funded by HUD.
- b) An agency may not deny the opportunity, provide less of an opportunity or otherwise limit qualified individuals with disabilities from participating in or receiving services and benefits. This includes participating as a member of the planning or advisory boards or occupying a housing unit provided by the agency'.

2) Communications:

- a) Appropriate auxiliary aids shall be provided where necessary or reasonably requested (e.g. telecommunication devices for deaf persons) for applicants, clients, and employees of the agency. This does not include wheelchairs, hearing aids, or other devices of a personal nature.
- b) Procedures shall be in place to ensure that individuals with disabilities can obtain information on services and their location. This may include the provision of printed materials in braille, large type, cassette, or disk.
- c) Agencies shall provide proper notification (e.g. in brochures and general printed information) to applicants, clients, and employees of the agency, including those with impaired vision or hearing, that the agency does not discriminate based on disability.
- d) The above notifications should include a telecommunications device number for deaf persons (TDD).

3) Employment:

- a) An agency may not discriminate in its hiring practices against qualified individuals with disabilities. Discrimination in employment also applies to promotions, tenure, transfers, terminations, rates of pay, job assignments, leaves of absence, sick leave, fringe benefits, and any other terms of employment.
- b) An agency shall make reasonable accommodations to the known physical or mental limitations of an otherwise qualified applicant or employee with disabilities. This may include the provision of equipment or devices, job relocation, job restructuring, or facilities modifications.

4) Building and Program Accessibility:

- a) New Construction - Non-housing facilities shall be designed and constructed to be readily accessible to individuals with disabilities in conformance with the City of Las Vegas Building Code.
- b) Rehab or Alterations - Rehabilitation of non-housing facilities shall be made to be readily accessible to individuals with disabilities in conformance with the City of Las Vegas Building Code. Rehab does not include re-roofing, interior decorations, or changes to mechanical systems. However, rehab shall not be performed in such a manner that it reduces accessibility.
- c) Existing Non-Housing Facilities - An agency shall locate and operate each program receiving HUD assistance so the program, when viewed in its entirety, is readily accessible to and usable by individuals with disabilities. An agency may achieve accessibility through methods such as the following: Location of programs or services to accessible facilities or accessible portions of facilities Assignment of aides to assist beneficiaries Home visits The addition or redesign of equipment or furnishings Acquisition or construction of additional facilities Rehab or alterations to facilities on a selective basis.

5) Self Evaluation:

- a) Each agency shall conduct a review and self evaluation of its programs, policies procedures, communications, employment practices, facilities, and other aspect of its programs to determine compliance with regulations concerning accessibility and non-discrimination on the basis of disability. Your DPO will provide one for you to complete and keep as part of your records.
- b) The evaluation should cover the four basic categories described previously. The (Accessibility Questionnaire may be used for reviewing the accessibility of the agency's facility.
- c) Any practices or policies that do not meet accessibility requirements shall be modified to achieve accessibility, and any discrimination revealed by the self-evaluation shall be corrected.
- d) An agency employing 15 persons or more shall:

Maintain the results of the above self-evaluation on file and make it available for three years. Designate an employee to coordinate compliance with HUD disability regulations. Adopt grievance procedures for people with disabilities. Provide proper notices that the agency does not discriminate based on disability.

6) Additional Requirements Applicable Only to Housing Projects:

- a) New housing projects shall be designed and constructed to be readily accessible to and usable by individuals with disabilities in conformance with the City of Las Vegas building code.
- b) Renovation to housing projects shall, to the maximum extent feasible, be made to be readily accessible and usable by individuals with disabilities in conformance with the City of Las Vegas building code. Once five percent (5%) of the dwelling units are readily accessible, additional units do not need to be accessible, but are encouraged.

Exhibit C
ACCESSIBILITY QUESTIONNAIRE

Agency Name _____

YES NO

ACCESSIBILITY COORDINATOR

1. Has one person been designated to coordinate the accessibility issues for the agency?

If yes, Name _____ Phone# _____

BUILDING ACCESS

YES NO

1. Does the facility provide a continuous unobstructed path to and from the following?

- a. Public Transportation
- b. Parking Lot
- c. Passenger Loading Zone
- d. Streets and Sidewalks

2. Does the facility have designated accessible parking spaces?

- a. Are the accessible parking spaces located closest to building entry?
- b. Is each one marked with vertical sign showing the universal symbol of accessibility?
- c. Are 96 inch wide parking spaces designated with a 60 inch access aisle?

3. Where passenger loading zones are provided, is at least one accessible?

4. Is the gradient from parking to building entrance 1:12 or less?

5. Is path of travel free from obstruction and wide enough (at least 36 inches) for a wheelchair?

6. Are the entrance doorways at least 32 inches wide?

7. Are the entrance door handles, locks, and latches operable with one hand without twisting the wrist?

8. Is the threshold no more than ½ inches high?

9. Are the doors easy to open (less than 8lbs. of pressure)?

10. Are other than revolving doors available?

BUILDING CORRIDORS/APPLICATION/INTERVIEW/SERVICES AREA

YES NO

1. Are all meeting rooms and common areas used for intake, certification, meetings, etc. reached without steps or escalators?

2. Is path of travel free of obstruction and wide enough (at least 36 inches) for a wheelchair?

3. Where obstacles (phones, fountains) protrude into corridor/path of travel, do they protrude no more than 4 inches?

4. Is the floor surface hard and not slippery?

5. Are doors at least 32 inches wide?

6. Are doors easy to open?

7. Are the thresholds no more than ½ inches high?

8. Is the path of travel between desks, tables, etc., wide enough (at least 36 inches) for wheelchairs?

9. Where drinking fountains are provided, are the accessible to the disabled individuals?

10. Where there is an elevator, are elevator controls low enough (48 inches) to be reached from a wheelchair?

- a. Are elevator markings in Braille?

- b. Does elevator provide audible signals?

- c. Does elevator interior provide a turning area of 51 inches for wheelchairs?

YES NO

RESTROOMS

1. Is there at least one accessible restroom for disabled individuals at the facility?

2. Do doors have lever handles?

3. Are doors at least 32 inches wide?

4. Are stall doors at least 32 inches wide?

5. Are reinforced grab bars provided in toilet stalls?

6. Are reinforced grab bars provided in toilet stalls?

7. Is toilet height 17 to 10 inches high?

8. Are sinks 30 to 34 inches high with room for a wheelchair to roll under?

9. Are sink handles operable with one hand without twisting the wrist?

10. Are soap dispensers, towels, nor more than 48 inches from the floor?

| | | | |
|--|--|------------|-----------|
| COMMUNICATION | | YES | NO |
| 1. Is the agency able to communicate its services to disabled applicants, clients, and employees of the agency (e.g. – telecommunication device (TDD) number for the deaf)? | | | |
| 2. Are applicants, clients, and employees of the agency, including those with impaired vision, or hearing; notified of the agency's policy of non-discrimination on the basis of handicap? | | | |
| 3. Does the agency's brochures/general printed information include a statement of this policy as well as a telecommunications device (TDD) number for deaf persons? | | | |
| ALTERNATIVE ACCESSIBILITY | | YES | NO |
| If the facility is not accessible to disabled individuals, what alternative service delivery methods are used to achieve accessibility? | | | |
| | | | |
| | | | |
| AGENCY SELF-EVALUATION | | YES | NO |
| 1. Has the agency conducted a full self-evaluation of its programs, policies, procedures, employment practices, etc., in relation to non-discrimination on the basis of handicap? | | | |
| Agency Signature | | Date | |

EXHIBIT D

INSURANCE REQUIREMENTS

1. **SUBRECIPIENT Insurance.** SUBRECIPIENT, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain and maintain at minimum compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects CITY and any insurance or self-insurance maintained by CITY shall be excess of SUBRECIPIENT's insurance coverage and shall not contribute to it. The City must be listed as an additional insured.
2. **Subcontractor(s)' Insurance.** If SUBRECIPIENT utilizes one or more subcontractors in the performance of this Agreement, SUBRECIPIENT shall obtain and maintain independent insurance as to each subcontractor or otherwise provide evidence of insurance coverage for each subcontractor equivalent to that required of SUBRECIPIENT in this Agreement, unless SUBRECIPIENT and CITY both initial here ____/____.
3. **Types of Insurance and Minimum Limits.** The following types of insurance and minimum limits are required by a Multi-Peril policy or equivalent combination of Mono-Line policies providing at least the following minimum coverage and limits of liability.
 - a. Worker's Compensation written in accordance with the laws of the State of Nevada and providing coverage for any and all employees of SUBRECIPIENT in the minimum statutorily required coverage amounts;
 - b. Automobile Liability Insurance for each of SUBRECIPIENT's vehicles used in the performance of this Agreement, including owned, non-owned (e.g. owned by Subrecipients employees or contractors), leased or hired vehicles, in the minimum amount of \$500,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage shall not be required if vehicle used by SUBRECIPIENT is not a material part of performance of this Agreement and SUBRECIPIENT and CITY both certify to this fact by initialing here ____/____;
 - c. Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of \$1,000,000 combined single limit, including coverage for:
 - (1) bodily injury;
 - (2) personal injury;
 - (3) broad form property damage;
 - (4) contractual liability;
 - (5) cross-liability;
 - d. Professional Liability Insurance in the minimum amount of \$____ combined single limit, if, and only if, this Subparagraph is initialed by SUBRECIPIENT and CITY here ____/____;
 - e. Workers' Compensation policy written in accordance with the laws of the State of Nevada and providing coverage for any and all employees of SUBRECIPIENT.

4. Other Insurance Provisions.

- a. If any insurance coverage required in this Agreement is provided on a "Claims Made" rather than "Occurrence" form, SUBRECIPIENT agrees to maintain the required coverage for a period of three (3) years after the expiration of this Agreement (hereinafter "post agreement coverage") and any extensions thereof. SUBRECIPIENT may maintain the required post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post agreement coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Agreement. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post agreement coverage shall be deemed to be reasonable.

5. Endorsements.

- a. All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clause, with the exception that Endorsement (ii), providing for 30-day notices, is the only endorsement required to be made a part of the Worker's Compensation and Employers' Liability policy coverage.
 - (1) "The City of Las Vegas, its employees, officers, agents and volunteers are hereby added as additional insureds, but only as respects work done by, for, or on behalf of the named insured under Agreement with the City of Las Vegas."
 - (2) "Thirty (30) days prior written notice shall be given to the City of Las Vegas in the event of cancellation, reduction in coverage, or non-renewal of this policy for whatever reason."

6. Proof of Coverage.

- a. SUBRECIPIENT agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide CITY on or before the effective date of this Agreement with Certificate of Insurance for all required coverage. Copies of all the required Endorsements required above shall be attached to the Certificate(s) of Insurance or other evidence of insurance acceptable to the City of Las Vegas, which shall be provided by SUBRECIPIENT's insurance company as evidence of the stipulated coverage. This Proof of Coverage shall then be mailed to the City of Las Vegas at the following address:

City of Las Vegas
Neighborhood Services Department
400 E. Stewart, 2nd Floor
Las Vegas, NV 89101

END INSURANCE REQUIREMENTS

Exhibit E **Insert copy of insurance cert here**

EXHIBIT F

INSTRUCTIONS FOR MONTHLY REQUEST FOR REIMBURSEMENT FORM GENERAL PROGRAMS AND PUBLIC SERVICES

The Monthly Reimbursement Report is used to account for funds expended by a Subrecipient. All City CDBG grant funds are paid to the Subrecipient on a reimbursement basis only. A Line Item Expense Detail must accompany all requests for reimbursement, and all totals must agree on both forms. Follow the instructions below when completing this form.

1. **Request #:** This is the number of the request. ie. The request for July will be #1, etc.
2. **Amount of Request:** This is the amount of CDBG funds that you are requesting with provided backup documentation.
3. **Period Covered:** This is the time frame you are requesting reimbursement for, July 1, 2000 – July 31, 2000.
4. **Agency:** Insert the name of the organization receiving CDBG funds.
5. **Phone:** Agency's phone number.
6. **Program Name:** Insert the name of the program operated by the Subrecipient.
7. **FAX #:** Agency FAX number.
8. **Contact Person:** Staff member responsible for the CDBG Program.
9. **E-Mail:** Your e-mail address. It is highly recommended that you obtain Internet access, and appropriate e-mail addresses.
10. **Budgeted Amount:** Enter in this column the line item amounts shown in the approved budget attached to the Agreement between the City and the Subrecipient.
11. **Previous Drawdowns to date:** Enter the year to date total of previous requests, not just the amount you received the prior month.
12. **Request Amount:** Enter all expenses incurred and paid by the Subrecipient during the month of the report. Each entry must be detailed by category in the Line Item Expense Detail (sample attached).

Only expenditures actually paid are to be reported in this column. If no expenses were paid, than that particular cost category line should remain blank. Any questions regarding the assignment of expenses to cost categories should be directed to the City NDD staff.

No funds shall be reimbursed without proper backup documentation.

13. **Remaining funds:** The amount of unexpended CDBG funds remaining in each cost category is determined by subtracting the Year-to-Date figures from the Annual CDBG

Budget column entries. Negative balances should be indicated in parenthesis. A budget modification is necessary to correct negative balances.

The project Director or Financial Officer must sign the Statement of Certification.

One original and one copy of the report must be submitted to the City NDD office no later than the 7th working day of each month.

Exhibit G
CITY OF LAS VEGAS
NEIGHBORHOOD SERVICES DEPARTMENT
REQUEST FOR RELEASE OF FUNDS

This form must be used to request reimbursement from the City of Las Vegas Neighborhood Development Division for Community Development Block Grant (CDBG) funds expended for the 2000/2001 Fiscal Year. Failure to properly submit this form, along with back-up documentation such as: copies of canceled checks, invoices, purchase orders, and an accounts payable printout, or check register, will result in a non-pay status for the request. *Do not alter this form.*

| Request # | Amount of Request | Period Covered |
|-----------|-------------------|----------------|
| | | From To |

| | |
|-----------------|--------|
| Agency: | Phone: |
| Project: | FAX: |
| Contact Person: | e-mail |

| Account Numbers | Account Title | Budgeted Amount | Previous Drawdowns to date | Request Amount | Remaining Funds |
|-----------------|-------------------------|-----------------|----------------------------|----------------|-----------------|
| 992010 | Subrecipient Admin. | | | | |
| 992015 | Wages & Benefits | | | | |
| 992020 | Operating Costs | | | | |
| 992025 | Travel & Transportation | | | | |
| 992030 | Food (client) | | | | |
| 992040 | Employment Training | | | | |
| 992050 | Direct Client Services | | | | |
| 992085 | Machinery & Equipment | | | | |
| | TOTAL | | | | |

I, the undersigned, certify that the information contained herein is correct, is recorded as such in the official accounting records of the program and that the expenses reflected herein were incurred in accordance with the agreement with the City of Las Vegas.

Signature Date

**Exhibit H
LINE ITEM EXPENSE DETAIL**

Subrecipient Name: _____ **Project Name:** _____
Reimbursement requested for month of: _____ **20** _____ **Date Submitted:** _____

Personnel

| Employee | Title | Amount and % charged |
|------------------------|--------------|-----------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Personnel | | |

GENERAL NON-PERSONNEL *(Itemize all expenses by supplier name and amount)*

| | | |
|-------------------------------|--|--|
| Supplies | | |
| Communications | | |
| Printing | | |
| Utilities | | |
| Rent | | |
| Utilities | | |
| Travel - Local | | |
| Travel - Other | | |
| Liability Insurance | | |
| Equipment | | |
| Direct Client Services | | |
| Miscellaneous | | |
| Total General Expenses | | |
| | | |
| Total Expenses | | |

STATEMENT OF CERTIFICATION

I, the undersigned, certify that the information contained herein is correct, is recorded as such in the official accounting records of the program and that the expenses reflected herein were incurred in accordance with the Agreement with the City of Las Vegas.

Signature

Date

Exhibit I Insert samples of bills

Insert Copy of Bills

EXHIBIT J

Sample MONTHLY REPORT

THIS FORMAT MUST BE FOLLOWED EXACTLY USE BOTH PAGE 1 AND PAGE 2

AGENCY LETTERHEAD

September 6, 2000

Project Manager's Name
Neighborhood Services Department
Neighborhood Development Division
400 E. Stewart
Las Vegas, NV 89101

RE: Program: Youth Gang Deterrent Program
P.O. Number 123456
Represents Month August 2000

Dear Project Manager:

The attached program billing represents August 2000 expenditures and includes the program goals achieved and clients served. During the month we provided service to 27 clients and accomplished the following program objectives.

Clients Served & Program Goal Met This Month

| Black | Hispanic | Native American | Asian | Caucasian | Male | Female | Female Head of Household |
|--------------|--------------|-----------------|--------------|--------------|--------------|--------------|--------------------------|
| Monthly | Monthly | Monthly | Monthly | Monthly | Monthly | Monthly | Monthly |
| | | | | | | | |
| Year to Date | Year to Date | Year to Date | Year to Date | Year to Date | Year to Date | Year to Date | Year to Date |
| | | | | | | | |

Client Income Information

| 0-30% Extremely-Low | 31-50% Very Low | 51-80% Moderate | Total |
|---------------------|-----------------|-----------------|--------------|
| | | | Monthly |
| | | | Year to Date |
| | | | |

| Activities/Objectives | This Month | Year To Date | Goal |
|-----------------------|------------|--------------|------|
| Youth Enrollment | 27 | 27 | 300 |
| Mentors recruited | 2 | 2 | 2 |
| Case Management | 3 | 3 | 65 |
| Tutoring Classes | 12 | 1 | 225 |
| Peer support Mtgs. | 2 | 2 | 104 |
| Career choices | 1 | 1 | 12 |

AUGUST 2000 - PROGRAM ACCOMPLISHMENTS

Activity 1. Youth Enrollment

- Distributed 2,000 program flyers to North, South and Central High
- Sponsored an Open House on August 15th to attract youth
- 65 youth attended Open House and 27 formally enrolled in program

Activity 2. Mentor Recruitment

- Contracted Clark County Adult Probation Department to explain program
- Received two youth referrals fulfilling Community Service hours
- Interviewed two youths for Mentorship, received formal commitments

Activity 3. Case Management

- Request for assistance forms were available at Orientation
- Five families completed intake form requesting assistance
- Three families had follow up visits at the center for assistance

Activity 4. Tutoring Services

- Contacted UNLV & Community College to identify student tutor volunteers
- Three tutors were interviewed and attended Open House
- Tutoring classes held in Math, Science, English (schedule available)

Activity 5. Peer Support Meetings

- Identified meeting topics/agenda
- Recruited student facilitator and set schedule
- 11 attended first meeting, 9 in attendance second meeting

Activity 6. Career Choices

- Contacted guest speakers from diverse careers
- Developed poster & flyer to advertise speakers & career topic
- City of Las Vegas Fire Station #1 first presenter on 8/28, 25 in attendance

EXHIBIT K

CLIENT ELIGIBILITY HUD SECTION 8 GUIDELINES

In order for a program to be eligible to receive Community Development Block Grant (CDBG) funds, at least 51% of the participants or recipients must have income that is less than 80% of median income.

INCOME NOT TO EXCEED

| FAMILY SIZE | EXTREMELY LOW INCOME (30%) | VERY LOW INCOME (50%) | LOW INCOME (80%) |
|--------------------|---|----------------------------------|-----------------------------|
| 1 | \$11,250 or less | \$18,750 | \$29,950 |
| 2 | \$12,850 or less | \$21,400 | \$34,250 |
| 3 | \$14,450 or less | \$24,100 | \$38,500 |
| 4 | \$16,050 or less | \$26,750 | \$42,800 |
| 5 | \$17,350 or less | \$28,900 | \$46,200 |
| 6 | \$18,600 or less | \$31,050 | \$49,650 |
| 7 | \$19,900 or less | \$33,150 | \$53,050 |
| 8 | \$21,200 or less | \$35,300 | \$56,500 |

Low and moderate income household means a household having an income equal to or less than the Section 8 low income limit (80%) established by HUD, adjusted for family size.

A very low income household means a household having an income equal to or less than the Section 8 very low income limit (50%) established by HUD, adjusted for family size.

An extremely low income household means a household whose income is 30 percent or less of the area median income, adjusted for family size.

Provided by the United States Department of Housing and Urban Development (HUD), effective February 1, 2000.

EXHIBIT L

CLIENT CERTIFICATION OF HOUSEHOLD COMPOSITION AND INCOME CLIENT CERTIFICATION OF HOUSEHOLD COMPOSITION AND INCOME

The program under which you are receiving assistance utilizes City of Las Vegas Neighborhood Services Department, HUD funds. In accordance with the federal regulations governing the use of these funds, please supply the information requested below. This information is confidential and only for use by the public agencies providing this funding.

| HOUSEHOLD SIZE (Please check the box next to the total number of people that live with you) | HOUSEHOLD INCOME¹ (Please check the box next to the total income of your household. Count all income of all household members) |
|---|---|
| <input type="checkbox"/> 1 person | <input type="checkbox"/> less than \$29,950 <input type="checkbox"/> less than \$18,750 <input type="checkbox"/> less than \$11,250 |
| <input type="checkbox"/> 2 people | <input type="checkbox"/> less than \$34,250 <input type="checkbox"/> less than \$21,400 <input type="checkbox"/> less than \$12,850 |
| <input type="checkbox"/> 3 people | <input type="checkbox"/> less than \$38,500 <input type="checkbox"/> less than \$24,100 <input type="checkbox"/> less than \$14,450 |
| <input type="checkbox"/> 4 people | <input type="checkbox"/> less than \$42,800 <input type="checkbox"/> less than \$26,750 <input type="checkbox"/> less than \$16,050 |
| <input type="checkbox"/> 5 people | <input type="checkbox"/> less than \$46,200 <input type="checkbox"/> less than \$28,900 <input type="checkbox"/> less than \$17,350 |
| <input type="checkbox"/> 6 people | <input type="checkbox"/> less than \$49,650 <input type="checkbox"/> less than \$31,050 <input type="checkbox"/> less than \$18,600 |
| <input type="checkbox"/> 7 people | <input type="checkbox"/> less than \$53,050 <input type="checkbox"/> less than \$33,150 <input type="checkbox"/> less than \$19,900 |
| <input type="checkbox"/> 8 people | <input type="checkbox"/> less than \$56,500 <input type="checkbox"/> less than \$35,300 <input type="checkbox"/> less than \$21,200 |

¹ Based on HUD median incomes as of February 1, 2000.

I hereby certify that my household size and income are as stated above. I consent to verification of this information by the service provider, the City of Las Vegas, or other governmental officials as required.

Signature of Head of Household

Date

Name

Address

Exhibit M Insert Procurement Form here

EXHIBIT N Insert Property Control Form here

Exhibit O Insert Mileage Log

EXHIBIT P Insert Phone Log here

Exhibit Q
STANDARD AGREEMENT FOR THE PROVISION
OF SUBCONTRACTED SERVICES

This Agreement is made and entered into this ____ day of _____, 20____, by and between _____ (hereinafter referred to as "AGENCY") and _____ (hereinafter referred to as "SUBCONTRACTOR")

RECITALS

WHEREAS, AGENCY and the City of Las Vegas have entered into a grant agreement pursuant to the Community Development Block Grant Program, as defined by the Housing and Community Development Acts of 1974 and 1977, 1983, 1985 and 1987, as amended and/or the HOME Investments Partnerships Act (Title II of the Cranston-Gonzalez Affordable Housing Act of 1990), as amended; and

WHEREAS, AGENCY is implementing the _____ under the terms and conditions of that Agreement referred to in the above paragraph; and

WHEREAS, AGENCY desires to engage SUBCONTRACTOR to provide assistance to AGENCY in its implementation of said program.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Contractual Agreement:** SUBCONTRACTOR agrees to be bound by the above-mentioned Agreement between AGENCY and the City of Las Vegas to the same extent that AGENCY is bound thereby and agrees to indemnify and name the City of Las Vegas as additional insured in the same manner as the AGENCY has agreed to indemnify and name the City of Las Vegas as additional insured.
2. **Term of Agreement:** This Agreement shall commence on _____, 20____, and shall terminate on _____, 20____, unless terminated earlier, as provided for in this Agreement. Twenty (20) days written notice by either party shall be given to terminate this Agreement.
3. **Scope of Services:** SUBCONTRACTOR, for and in consideration of the covenants, promises and agreements expressed herein, shall provide services to AGENCY. Said services shall include, but not be limited to:

_____.
4. **Payment for Services:** AGENCY agrees to pay SUBCONTRACTOR for the performance of services and work, subject to and performed in connection with this agreement, a sum of money not to exceed \$ _____ (total payment). Such sum shall be expended and paid by AGENCY to SUBCONTRACTOR during the term of this agreement on a reimbursement basis for services actually performed by SUBCONTRACTOR. Payment shall be made upon receipt of time sheets specifying in detail the services performed and the number of hours expended to complete those services.

5. **Independent Contractor:** It is understood and agreed by the parties herein that SUBCONTRACTOR, in the performance of this Agreement, shall act as an independent contractor, and therefore shall obtain no rights to any fringe benefits that accrue to regular full-time AGENCY employees.
6. **Compliance with Federal Regulations:** The work to be performed under this Agreement is on a project assisted under a program providing direct Federal financial assistance from HUD. In addition to the terms and conditions of the Agreement between AGENCY and the City of Las Vegas, SUBCONTRACTOR is also subject to the requirements contained in Exhibit "A" entitled "Conditions of Federal Funding" attached hereto and made part of this Agreement.
6. **Uninvolvement Clause:** It is hereby agreed between the parties to this Agreement that the City of Las Vegas, as a funding agent of AGENCY'S project, shall assume no liability, either primarily or secondarily, for any breach of this Agreement by either party hereto of a term or condition contained herein.
7. **Changes to the Agreement:** Amendments to the terms and conditions of this Agreement shall be requested, in writing, by the party desiring such revision, and any such adjustment to this Agreement shall be determined and effective only upon the mutual consent, in writing, of the parties hereto, and upon approval of the City of Las Vegas.

AGENCY

Date

SUBCONTRACTOR

Date

(Street Address of Subcontractor)

(Telephone No. of Subcontractor)

(City, State, and Zip Code)

Soc. Security No. of Subcontractor

Appendix I

SUMMARY OF OMB CIRCULAR A-110

“Uniform Administrative Requirements for Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations.”

A. Cash Depositories

1. Physical segregation of cash deposits is not required.
2. Federal funds must be deposited in interest bearing accounts.
3. Funds must be deposited in a bank with FDIC insurance coverage.

B. Bonding Insurance

1. The basic rule is that the government will not require additional insurance or bonding, but will follow the institution's practice.
2. For construction grants over \$100,000
 - a. If federal oversight agency determines that the government's interest is protected then the institution's policies and procedures are acceptable.
 - b. If no such determination is made then the government can require bonding.
 - c. If determination is made that government's interests are not protected the government will require bonding.

C. Retention and Custodial Requirements for Records

1. In general, financial records, supporting documents, statistical records, and any other pertinent records must be retained for three years.
2. Authorization needed to use microfilm or fiche.
3. The government's duly authorized representative may audit, examine, excerpt, or transcribe any of this information.

D. Program Income

1. Recipient organizations are required to account for program income.
2. Program income is gross income earned by the recipient from federally supported activities, and includes but is not limited to service fees, sales of commodities, rental fees, and royalties.
3. Program income does not include interest earned on advances of federal funds.
4. Program income should be retained by the recipient and:
 - a. Added to the project to be used to further program objectives,
 - b. Used to finance the non-federal share of the project (requires approval), and
 - c. Deducted from the total project costs when determining the federal share of the project.

E. Cost Sharing and Matching

1. Cost sharing and matching represents that portion of the project or program not borne by the Agency.
2. Cost sharing or matching may consist of:
 - a. Project costs incurred by the recipient.
 - b. Costs financed from non-federal sources such as contributions and donations.
 - c. Project costs represented by services, and real or personal property or use thereof from non-federal sources (a.k.a. "In Kind" contributions).
3. In order to be allowable as cost sharing or matching the following criteria must be met:
 - a. There must be verifiable records.
 - b. Should not be included as a contribution for any other federally-assisted program.
 - c. Cost must be necessary and reasonable.
 - d. Must be allowable under O.M.B. Circular A-1 22 and the contract.
 - e. Costs are not paid for by federal government under another assistance program.
 - f. Costs are provided for the approved budget.
4. Valuation of in-kind contributions should be based on applicable cost principles.
 - a. Value of services should be consistent with those paid for similar work.
 - b. Value of property must be at fair market value.
 - c. Volunteer services must be documented.
 - d. Basis for determining the value of personal services, material, equipment, land and buildings must be documented.

F. Financial Management Systems

1. Recipients financial management system must provide for:
 - a. Accurate, current, and complete disclosure of each project or program.
 - b. Documentation of source and applicability of funds for federally sponsored activities.
 - c. Control and accountability for all funds including safeguards to assure they are used only for authorized purpose.
 - d. Comparison of actual outlays with budget amounts for each grant or agreement.
 - e. Procedures to minimize elapsed time between receipts of funds and outlay.
 - f. Procedures to determine reasonableness, allowability and allocability of costs in accordance with federal cost principles and terms of grant agreement.
 - g. Accounting records supported by source documents.
 - h. Examination by independent audit.

G. Financial Reporting Requirements

1. Purpose is to establish uniform reporting procedures.
2. Reports:
 - a. Financial status report, Form 269.
 - b. Federal cash transactions report, Form 272
 - c. Request for advance or reimbursement, Form 270.
 - d. Outlay report and request for reimbursement for construction programs, Form 27 1.
3. Frequency of reports determined by federal sponsoring agency. Generally quarterly.

H. Monitoring and Reporting Program Performance

1. Recipients must monitor and report on technical performance (programmatic) through a report which presents:
 - a. Comparison of actual accomplishments to goals.
 - b. Findings of investigator if appropriate.
 - c. Reasons why goals were not met.
 - d. Other pertinent data.
2. Frequency is same as financial reports.
3. Problems or favorable developments should be reported promptly. This includes changes in budgetary needs.

I. Payment Requirements

1. Methods of payment:
 - a. Letter of credit.
 - b. Advance by Treasury check.
 - c. Reimbursement by Treasury check.
2. Letter of credit should be used if:
 - a. Continuing relationships for at least 12 months and dollar volume is \$250,000 or more.
 - b. Recipient has the ability to maintain procedures to minimize elapsed time.
 - c. Financial management system meets government standards.
3. If there is no continuing relationships over \$250,000 advance by Treasury check can be used.
4. If financial management system is not acceptable, then reimbursement by Treasury check is the only method available.

J. Revision of Financial Plans

1. Recipients are required to immediately report deviations from financial plans and to request approval for financial plan revisions involving:

- a. A change in scope or objective.
 - b. The need for additional federal funds.
 - c. Other rebudgeting changes.
- 2. None of the substantive programmatic work under the grant or other agreement may be subcontracted or transferred without prior approval of the federal sponsoring agency.

K. Suspension and Termination

- 1. Definitions:
 - a. Termination - Cancellation
 - b. Supervision - Temporary removal of support until corrective action or termination.
- 2. Each federal sponsoring agency must have procedures for suspension or termination when recipient has not complied with conditions of a program.
- 3. Termination may be:
 - a. For cause - failure to comply.
 - b. For convenience - mutual agreement.

L. Applying for Federal Assistance

- 1. Standard Form SF424.

M. Property Management Standards

- 1. Adequate property management system to include:
 - a. Unique identification number
 - b. Description
 - c. Funding source
 - d. Acquisition cost
 - e. Federal participation percentage
 - f. Title vestiture
 - g. Location, use and condition
 - h. Disposition data
 - i. Other data to support cost allocation
- 2. Federal property must be marked as such.
- 3. Physical inventory to be taken every two years.
- 4. Property must be made available for shared usage with other federal projects.
- 5. Control system to be in effect to safeguard against loss, damage or theft of property.
- 6. Adequate maintenance procedures to be implemented.
- 7. Disposal procedures require authorization, competitive sales, highest possible return.

N. Procurement Standards

1. Recipient may follow their own procedures but must include:
 - a. Code of conduct for Officers, employees or agents engaged in awarding or administering;
 - i. Officer, employee or agent may not engage an organization in which he has a financial interest or is negotiating employment.
 - ii. May not accept gratuities.
 - iii. Disciplinary measures should be provided for violations.
 - b. Open and free competition.
 - c. Procedures to avoid purchasing unnecessary or duplicate items-lease purchase analysis.
 - d. Solicitation based on accurate description of technical requirements.
 - e. Positive efforts to use small and minority businesses.
 - f. Type of contract shall be determined by recipient but not cost plus or percentage of cost contracts.
 - g. Use of responsible contractors.
 - h. Prior approval of sole source over \$5,000.
 - i. Some sort of price or cost analysis should be made on every procurement.
 - j. Records for purchases of \$10,000 must include:
 - i. Basis of contractor selection.
 - ii. Justification for lack of competition.
 - iii. Basis for award.
 - k. Assurance of contractor compliance with contract.
2. Subcontractors must comply with various laws and regulations.

APPENDIX II

SUMMARY OF O.M.B. CIRCULAR A-122

“Cost Principles for Non-Profit Organizations

- A. Basic Considerations - To be allowable, costs must meet the following general criteria:**
 - 1. Costs must be reasonable:
 - a. Recognized as ordinary and necessary.
 - b. Arms length transactions.
 - c. Individuals concerned acted with prudence.
 - d. Not deviating from established practices of the organization.
 - 2. Costs must be allocated to the grant, project, etc. In accordance with benefits received:
 - a. Incurred specifically for the award.
 - b. Benefits both award and other work can be reasonably distributed in proportion to benefits received.
 - c. Necessary to overall operation - if no direct relationship to award can be shown.
- B. Direct Costs**
 - 1. Can be identified specifically with a particular grant, award, project, etc.
 - 2. Direct costs of minor amounts may be treated as indirect.
 - 3. Unallowable costs may be treated as direct costs for computation of overhead rates.
- C. Indirect Costs**
 - 1. Costs that have been incurred for common objectives but cannot be readily identified with a particular grant, award project, etc. Only applicable with a HUD certified cost allocation plan.
- D. Allocation of Indirect Costs**
 - 1. Simplified Method
 - a. Used when major functions benefit from indirect costs to approximately the same degree.
 - b. Distribution base may be total direct costs, direct salaries or other equitable distribution base.
 - 2. Multiple allocation base method:
 - a. Used when major functions benefit in varying degrees from indirect costs.
 - b. Costs separated into distinct groupings. Each grouping then allocated to benefiting functions by means of base which best measures relative results.
- E. Selected Items of Cost**
 - 1. Advertising - only advertising costs allowable are those associated with:
 - a. Recruitment of personnel.
 - b. Procurement of goods.
 - c. Disposal of surplus materials.
 - 2. Bad debts - unallowable.
 - 3. Bonding costs - allowable.
 - 4. Communication costs - allowable.
 - 5. Compensation for personal services:

- a. Includes salaries, wages, director's and executive committee fees, incentive awards, fringe benefits, pension plan costs, location allowances and cost of, living differentials.
- b. Allowable provided they are reasonable.
- c. May be direct or indirect. Fringe benefits in the form of vacation, sick pay, holidays, and authorized absences are allowable provided they are absorbed by all organization activities in proportion to relative time or effort devoted to each.
- d. Fringe benefits in the form of social security, employee insurance, workmen's compensation pension plans, etc. Are allowable provided they are distributed in accordance with salaries and wages chargeable to particular awards and activities.
- e. Charges to award for salaries and wages must be supported by documented, approved payroll records:
 - i. Distribution must be supported by personnel activity reports (time sheets).
 - ii. Time sheets must be maintained by all personnel whose compensation in whole, or in part, is charged to government awards.
 - iii. Time sheets must reflect after-the-fact determination of actual activity of each employee.
 - iv. Each time sheet must account for employees total time.
 - v. Time sheets must indicate total number of hours worked each day.
 - vi. Time sheets must be signed by employee and approved by supervisor.
 - vii. Time sheets must be prepared at least monthly.
- 6. Contingency reserves - unallowable
- 7. Contributions - unallowable
- 8. Depreciation - allowable
- 9. Donated services:
 - a. Not reimbursable.
 - b. May be used in overhead computations in allocating indirect costs.
- 10. Employee moral, health, and welfare costs - allowable as indirect cost.
- 11. Entertainment costs - unallowable.
- 12. Equipment and other capital expenditures:
 - a. Equipment - Personal property with a useful life of more than 2 years costing \$500 or more per unit.
 - i. Special purpose equipment - usable only for research, medical, scientific or technical activities - allowable as direct cost with prior approval of items costing over \$1,000.
 - ii. General purpose equipment - usable for other purposes
 - 1. Unallowable as direct costs.
 - 2. Depreciation allowable as indirect costs.
 - b. Land, buildings or improvements.
 - i. Unallowable as direct costs.
 - ii. Depreciation allowable as indirect costs.
- 13. Fines and penalties - unallowable.
- 14. Idle facilities and idle capacity - unallowable.
- 15. Insurance and indemnification - allowable.
- 16. Interest, fund raising, and investment management costs - allowable.
- 17. Labor relations costs - allowable
- 18. Losses on other awards - unallowable
- 19. Maintenance and repair costs - allowable
- 20. Materials and supplies - allowable
- 21. Meeting, conferences - allowable provided they do not involve entertainment costs

22. Membership, subscriptions and professional activity costs- allowable
23. Organization costs (incorporation fees, attorneys, accountants etc. in connection with establishment or reorganization of organization) - allowable
24. Overtime, premium pay - allowable as direct costs with prior approval.
25. Page charges in professional journals - (e-mail publications) - allowable
26. Participant support costs - allowable as direct costs with prior approval
27. Patent costs - allowable only if required by award.
28. Plant security costs - allowable.
29. Pre-award costs - allowable only with written approval.
30. Professional Service costs - allowable when reasonable in relation to services and not contingent upon recovery from government. In determining allowability, certain factors are relevant:
 - a. Nature and scope of service in relation to service required.
 - b. Necessity of contracting for service vs. Organization's own capability.
 - c. Past patterns.
 - d. Impact of government awards.
 - e. Does proportion of government work to total organization work, justify incurring cost.
 - f. Can service be performed more economically by hiring employee.
 - g. Qualifications of individual performing service.
 - h. Adequacy of contractual agreement.
 - i. Retainer fees must be supported by evidence of services available.
31. Profits and losses on sale or retirement of depreciable property:
 - a. Allowable - charge or credit must be included in cost grouping where depreciation was applicable.
32. Public information service costs - (pamphlets, new releases and other forms of disseminating information):
 - a. Allowable as direct costs with prior approval.
 - b. Allowable as indirect costs.
33. Publication and printing costs:
 - a. Allowable as direct costs with prior approval.
 - b. Allowable as indirect costs.
34. Rearrangement and alteration costs - allowable with prior approval.
35. Reconversion costs - (restoration or rehabilitation cost) - allowable with prior approval.
36. Recruiting costs - allowable.
37. Relocation costs - (employee relocation) allowable within certain limitations.
38. Rental costs - allowable within certain limitations.
39. Royalties and other costs for user of patents and copyrights - allowable.
40. Severance Pay - allowable to the extent required by :
 - a. Law
 - b. Employer-employee agreement
 - c. Established policy
 - d. Circumstances of particular employment
41. Specialized service facilities - allowable within certain limitations.
42. Taxes - allowable unless exemptions from taxes are available.
43. Termination costs - (costs in connection with termination of award):
 - a. For common items reasonably usable on organization's other work - allowable.
 - b. Cost continuing after termination - allowable only if cannot be discontinued despite all reasonable efforts.
 - c. Loss of value of special tooling etc. - allowable.
 - d. Rental costs - (unexpired leases) - allowable

- e. Settlement expenses - generally allowable
- 44. Training and education costs - allowable
- 45. Transportation costs (related to goods purchases) - allowable
- 46. Travel costs:
 - a. Airline travel allowable except first-class.
 - b. Foreign travel allowable only with prior approval. Each separate trip must be approved.

Appendix III

SUMMARY OF O.M.B. CIRCULAR A-133

“Audits of Institutions of Higher Education and Other Non-Profit Institutions”

This circular establishes audit requirements for institutions of higher education and other non-profit institutions receiving federal funds. It requires non-profit institutions that receive \$300,000 in federal funds to be audited organization-wide in accordance with the circular. Those institutions receiving between \$25,000 and \$100,000 may either have an organization-wide audit or an audit of each federal award. Audits must be performed at least biennially by independent auditors in accordance with government auditing standards (“the Yellow Book”). The circular encourages the use of small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals.

A. Scope

The scope of the audit covers three distinct areas wherein the auditor must determine:

1. The institution's financial statements present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles. Audits are to be performed in accordance with the GAO Government Auditing Standards “Yellow Book” and AICPA Statements on Auditing Standards No. 41 and 63.
2. The institution has an internal control structure to provide reasonable assurance that it is managing federal awards in compliance with applicable laws and regulations, as well as controls that ensure compliance with laws and regulations that could have a material impact on the financial statements. The auditor must obtain an understanding of the internal control structure and assess levels of internal control risk in accordance with statements on Auditing Standards No. 53, 54, 55 and 63.
3. The institution has complied with laws and regulations that may have a direct and material effect on its financial statement amounts and on each major federal program. The auditor must determine that recipients have identified in their accounts all federal funds received and expended and the programs under which they were received (i.e. fund accounting). This shall include funds received directly from federal agencies or indirectly, through other recipients. The auditor's review must include the selection and testing of an adequate number of transactions from each major federal program. In making this test, the auditor must determine whether expenditures were for allowable services and records show that those who received services or benefits were eligible to receive them. In addition to transaction testing, the auditor must determine whether matching requirements, levels of efforts, and earmarking limitations were met; federal financial reports and the like contain information that is supported by books and records from which basic financial statements have been prepared; and amounts claimed or used for matching were determined in accordance with applicable cost principles or other federal regulations.

B. Reports

The audit reports shall state that the audit was made in accordance with the provisions of the circular and shall be made up of at least the following:

1. Auditor's report on the financial statements and the schedule of federal financial assistance.
2. Auditor's report on the internal control structure.
3. Auditor's report on compliance containing:
 - a. An opinion as to whether major federal programs were being administered in compliance with laws and regulations.
 - b. A statement of positive assurance with respect to those items tested for compliance relative to the financial statements, including compliance with laws and regulations pertaining to advances and reimbursements.
 - c. Negative findings of noncompliance including:
 - i. Size of universe in number of items and dollars.
 - ii. Number and dollar amount of transactions tested.
 - iii. Number and corresponding dollar amounts in instances of noncompliance.
 - iv. Identification of total amounts of questioned for each federal award as a result of noncompliance, where findings are specific to a particular federal award.
 - v. The auditor's recommendations for necessary corrective action.
4. All fraud or illegal acts, including all questioned costs found as a result of these acts, may be covered in a separate written report.
5. Recipients shall include comments on the auditor's findings and a plan for corrective action.

C. Audit Costs

Costs of audits made in accordance with the provisions of the circular are allowable charges to federal awards. The charges may be considered a direct cost or an allocated indirect cost determined in accordance with federal principles.

List of Acronyms

| | |
|--------------|---|
| 00 AP | 2000 Action Plan |
| ADA | Americans With Disability Act |
| AIDS | Acquired Immunodeficiency Syndrome |
| AP | Action Plan |
| APR | Annual Performance Report |
| CAPER | Consolidated Annual Performance and Evaluation Report |
| CBDO | Community Based Development Organization (CDBG) |
| CDBG | Community Development Block Grant |
| CFR | Code of Federal Regulations |
| CHDO | Community Housing Development Organizations (HOME) |
| CLV | City of Las Vegas |
| CPD | (Office of) Community Planning & Development (HUD) |
| CFR | Code of Federal Regulations |
| EA | Environmental Assessment |
| EEO | Equal Employment Opportunity |
| EIS | Environmental Impact Statement |
| EMSA | Eligible Metropolitan Statistical Area |
| EPA | Environmental Protection Agency |
| ESG | Emergency Shelter Grant |
| ESL | English as a Second Language |
| EZ/EC | Empowerment Zones/Empowerment Communities |
| FHEO | Fair Housing Equal Opportunity |
| FMR | Fair Market Rents |
| FY | Fiscal Year |
| GIS | Geographical Information Systems |
| GPR | Grantee Performance Report |
| HAMFI | HUD Adjusted Median Family Income |

List of Acronyms

| | |
|----------------|---|
| HCP | HUD Consolidated Plan |
| HOME | Home Investments Partnership Program |
| HOPWA | Housing Opportunities for People With Aids |
| HQS | Housing Quality Standards |
| HUD | (Department of) Housing and Urban Development |
| IDIS | Integrated Disbursement and Information System |
| LIHTC | Low-Income Housing Tax Credits Program |
| LIHTF | Low-Income Housing Trust Fund |
| MBE/WBE | Minority and Women Owned Business |
| MFI | Median Family Income |
| MOU | Memorandum of Understanding |
| NAHRO | National Association of Housing and Redevelopment Officials |
| NCRC | Nevada Community Reinvestment Corporation |
| NDD | Neighborhood Development Division |
| NRS | Nevada Revised Statutes |
| NSD | Neighborhood Services Department |
| OMB | Office of Management and Budget |
| PHA's | Public Housing Authorities |
| PJ'S | Participating Jurisdictions (HOME) |
| RFP | Request for Proposal |
| RFQ | Request for Quotes |
| RLF | Revolving Loan Fund |
| RTC | Resolution Trust Corporation |
| SBA | U. S. Small Business Association |
| SHP | Supportive Housing Program |
| SRO | Single Room Occupancy |